

how:
answers

how else:
possibilities

GOING BEYOND LINEAR SOLUTIONS AND
EXPLORING INNOVATIVE POSSIBILITIES.

GEODESIC
HOW ELSE

ANNUAL REPORT 2009-10

how:
answers

how else:
possibilities

For the past 11 years, every application built, solution provided or innovation made, is greeted not only by a round of applause but also with the cold stare of a How Else.

Two words that epitomize the Geodesic ethos, which is built on the strong belief that while a How will only get you answers, unending possibilities is what follows a How Else.

Possibilities, that when explored, introduce you to solutions that are innovative, effective, robust and sustainable. Something that each of our clients - from state governments, NGOs, leading financial institutions to telecom operators - would vouch for.

GEODESIC
HOW ELSE

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corporate information:

COMPANY SECRETARY

CS Swati Gupta

REGISTERED & CORPORATE OFFICE

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Visit us: www.geodesic.com

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AUDITORS

M/s Borkar & Muzumdar

Chartered Accountants

PRINCIPAL BANKERS

- ICICI Bank Limited
- Union Bank of India
- DBS Bank Limited
- Standard Chartered Bank
- Deutsche Bank
- Axis Bank Limited
- HDFC Bank Limited
- HSBC Limited
- Citibank N A

FOREIGN BANKS

- HSBC Private Bank (C.I) Limited, Jersey
- Citibank, N.A. London
- Barclays Bank PLC – London
- UBS AG - HongKong

REGISTRAR & TRANSFER AGENT

M/s Mondkar Computers Private Limited

21, Shakil Niwas, Near Satya Saibaba Temple,
Opp. Mahakali Caves Road,
Andheri (E), Mumbai - 400093 .

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Email: info@mondkarcomputers.com

NATIONAL OFFICES

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Mumbai - 400 093.

Geodesic Limited.

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Geodesic Limited.

18, 10th Cross, Mayura Street,
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Bangalore - 560094. Karnataka, India.

Geodesic Limited.

19B, MLA Colony,
Road No. 12, Banjara Hills
Hyderabad-500034. AP.India

Geodesic Limited.

Factory and Warehouse
Khasra No. 1118, Salempur Industrial Area,
Rajputan Pargana, Nar Radhaswami Satsang Bahavan,
Roorkee.
Dist.: Haridwar 247667,
(Uttarkhand) India.

BRANCH OFFICE

Chandamama India Limited

New No. 2/513 (Old 3/396), Sundeep Avenue East,
2nd Main Road, Chinna Neelankari,
Chennai - 600041.

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

Fax: +91-22-28200832

Url: www.chandamama.com

ITM Digital 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

Fax: +91-22-28200832

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

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ASSOCIATED COMPANY:

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.

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INTERNATIONAL SUBSIDIARIES

Geodesic Holdings Limited

C/o: Premier Financial Services Ltd,
Suite 612, 6th Floor, St. James Court,
St.Denis 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

Formerly Engage Solutions Limited
(Subsidiary of Geodesic Holdings Limited)
3/F, Well View Commercial Building,
New No.10,(Old No. 8-12) 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, Urbanizacion Marbella,
16th Floor, Panama City, Panama.

Geodesic Technology FZE

(Subsidiary of Geodesic Holdings Limited)
E – LOB Office No., P.O. Box 51810
Hamriyah Free Zone – Shj
United Arab Emirates

board of directors:

Pankaj Kumar
Chairman

Kiran Kulkarni
Managing Director

Prashant Mulekar
Executive Director

Vinod Sethi
Non Executive &
Independent Director

Nitin Potdar
Non Executive &
Independent Director

G. Krishnan
Non Executive &
Independent Director

management team:

Pankaj Kumar
Chairman

Kiran Kulkarni
Managing Director

Prashant Mulekar
Executive Director

Tim Bruce
Director
- Geodesic Hong Kong Limited

Girish Borkar
Chief Accounts Officer

Atul Chitnis
Chief Products Officer

Sanjay Sarkar
Chief Design Officer

Farhan Ashhar
Chief Technology Officer

Jitendra Loyal
Head
- Product Engineering

Arvind Venkateswaran
Senior VP (Business Development) &
General Manager (US Operations)

Anil Raj
Head
- Mobile Media and VAS

Swati Gupta
Company Secretary &
Vice President

Sanjay Ramakrishnan
Vice President
- Marketing

Dr P R Subramanya
Vice President
- Technology (GeoAmida)

Anirudh Moudgal
Vice President
- Design

Shibaji Ghosh
Vice President
- Business Development and Sales

Deepak Shenoy
Vice President
- Operations

Arnab Ganguly
Vice President
- Business Development and Sales
(GeoAmida)

D Phaneendra Kumar
Associate Vice President
- New Technologies

Navita Sharma
Head
- Corporate Communications

LETTER TO SHAREHOLDERS

From the beginning, we at Geodesic have believed in having a rational and a rigid standard for measuring what we have accomplished – or have not. We measure management performance against our strategy, product innovation, fiscal strength, stakeholder value and thought leadership.

After achieving a sustained growth rate year on year during the last nine years, it is unusual for us to write about decline in our growth during fiscal 2010. And we do not wish to cite recession, global meltdown or a difficult environment as excuses but are planning on including counter measures to handle such downturns. Going forward, we are confident of handling these complex eventualities and meltdowns.

The global recession has had a major impact on the financial performance of companies around the world in virtually every industry in fiscal 2010, and Geodesic was no exception. Thanks to our fiscal strength and prudent approach to investment, a strong pipeline of new products and services that retained all attributes and functionality of our existing products but added few others that addressed needs and desires unleashed by new trends in the same category, and a renewed focus on productivity, we responded to the uncertain economic environment with speed and agility to ensure we cover lost ground. With revenues of ₹ 637 crore in 2010 as against ₹ 653 crore in 2009, we clocked earnings of ₹ 224 crore in fiscal 2010 as against ₹ 264 crore in fiscal 2009.

The world has seen five quarters of global recession and the recession has not changed our fundamental approach to our business. Technology innovation has always been the foundation of Geodesic's growth and success and we have invested substantial amounts of money to stay ahead of the technology curve in our space. We have been focusing on four simple goals:

- maintaining Geodesic's strong financial position
- developing and acquiring new and varied earning streams
- nurturing and expanding our team who have over the years delivered great results
- augmenting our products and services to give our business units the competitive edge

The value of our approach can also be seen in the unprecedented pipeline of innovative products that reached significant development milestones during fiscal 2010 and are scheduled to be released in fiscal 2011.

Geodesic took advantage of the economic downturn and reoriented its products and services to sustain and grow revenues and earnings. These reoriented products and services allowed us to cater to newer segments. Our marketing and technology teams worked tirelessly to reorient ADePT, GeoAmida, Continuum and Mundu to address newer segments and needs. ADePT for example - has been deployed as an online anti-piracy tool for movies and television. This reoriented product helps Geodesic target a new segment and increase our revenues. The online anti-piracy tool allows production houses and studios to increase theatre footfall and revenues. GeoAmida is being reoriented as a Micro ATM for the purpose of rural and in-store banking, and as a mobile authentication, validation and data processing terminal. Mundu was reoriented as a communication stack and an entertainment stack with loads of content added as part of our initiative to provide content-based communication and entertainment services. This will allow Geodesic to build more partnerships with telecom network operators, Internet service providers and handset vendors across countries. We are confident that these reoriented products will get us substantial revenues and earnings during the next financial year.

The economic downturn presented Geodesic with a huge opportunity of hiring brilliant people across the board and we grabbed the opportunity with both hands. Geodesic added 75+ people during fiscal 2010 and our attrition rate remained well under 5% again (an achievement we are proud of for the past six years). Geodesic also took this opportunity to go all out and make adequate capital expenditure to ensure we have adequate bandwidth to support our mobile services across the communication and entertainment stacks.

We let our subsidiaries operate on their own to ensure empowerment and to retain their management's owner-oriented attitude. We plan to operate as an aggregation of separately-managed small and medium- sized businesses, most of whose decision-making occurs at the operating level. We would rather suffer visible costs maybe of a few bad decisions than incur invisible costs that come from decisions made too slowly – or not at all. This approach helped us achieve great teamwork, integration of products & services a lot faster and over-achieve targets.

Turning to happier thoughts, we are pleased to announce that our acquisitions PicoPeta Simputers, Engage Solutions and Interactive Networks Inc. are firing on all cylinders. Products and services from these acquisitions have turned in exceptional performances this year. PicoPeta was merged into Geodesic Ltd in 2008 and Engage Solutions is now Geodesic (Hong Kong) Ltd. Interactive Networks Inc. has added more than 12 telecom operators to our customer list.

Geodesic has been conservative with its investments to ensure security and safety of these funds and we earn low returns at present on the cash and assets we hold in foreign currency.

LETTER TO SHAREHOLDERS

We have five major business units viz.

UNIFIED COMMUNICATION, COLLABORATION & CRM

The manner in which businesses are conducted in today's globalized world has witnessed a sea change. Organizations conduct businesses with customers across the globe and maintain their presence across geographies and time zones. While electronic channels have become the fundamental way of life for most enterprises, communicating effectively and efficiently within the enterprise and with multiple customers across the globe still remains a major challenge.

Geodesic's Unified Communications & Collaboration (Continuum) delivers real-time communication and collaboration services across a powerful contact management module—from enterprise instant messaging (text/voice) and online meetings, telephony, video conferencing, desktop sharing, white-boarding and annotation—through a single user interface. Geodesic Continuum unifies the user experience while leveraging an enterprise's existing IT and telephony infrastructure.

Geodesic Continuum tracks and logs communication and collaboration transcripts to enable the enterprise to analyze these as part of the CRM module to align prospects, customers, vendors etc all with the enterprise products and services.

Continuum can reduce business costs and enhance enterprise productivity. Continuum helps people find, reach and collaborate smarter with others and reduce sales cycle. Continuum's architecture will allow us to address small/medium businesses with the same ease as we will address the large business houses.

Unified communication & collaboration is a US\$17 billion market opportunity and CRM another US\$6.6 billion globally by 2013 as mentioned by research firms, In-stat and Gartner Group. India alone will be a huge market and will constitute 15% of the APAC market. We are confident that Continuum will make the most of these markets going forward.

MOBILE MEDIA & VAS

In the backdrop of intensifying competition, large spectrum costs, compounded with spiraling marketing costs and declining ARPUs, mobile operators now realize that customer retention and effective up-selling/cross-selling are the keys to success. The exclusive focus on acquisitions has resulted in a large number of subscriber acquisitions, but the challenge now is to retain the subscribers and maximize the value of each subscriber. At the same time, handset OS fragmentation is here to stay and the number of smart phones proliferating is gaining momentum at a rapid pace. The total smart phone market is estimated to be around 30% of the total handsets sold around the world. Smartphone manufacturers are embedding applications as part of their pre-shipped devices or creating Application stores to ensure consumers derive more value for their money spent on smart phones.

Geodesic is at the forefront of mobile application development and value added services. We have been developing mobile applications since 2003 and have won several global awards including the prestigious GSM Asia award for the best mobile Internet service for our pioneering communication and entertainment applications. Our mobile application framework is uniquely positioned to address three market segments viz. Telecom Network Operators, Handset Manufacturers and Retail Consumers in the Mobile Media and VAS business space. Geodesic has one of the widest platform (OS and Hardware) support and services to support our applications.

Geodesic's Mundu has two distinct mobile application stacks -

- A communication stack that includes Mundu IM (an aggregation of various IM services viz. AIM, Facebook, GTalk, ICQ, MSN and Yahoo), SMS over the net, Spokn (our internet telephony system) and Mundu Sync (a comprehensive contact backup and management system)
- An entertainment stack comprising of Mundu Radio (streaming Internet Radio across 35000+ global stations & premium Indian content) and Mundu TV (streaming 20+ live television and video on demand service)

We have now included social media products as part of our product profile and are confident that we have been even more relevant in the mobile media and VAS markets. And this has reflected in Geodesic signing significant deals with top Telecom Network Operators and Handset Manufacturers.

The mobile media and VAS industry has been growing at more than 50% year on year and is expected to be a US\$340 billion market by 2014. The mobile media and VAS industry is expected to get a further boost with the advent of 3G and 4G roll-outs happening world over.

We are working on building the complete value chain in our space to ensure we stay ahead of the competition in the mobile media and VAS business.

ELECTRONIC COMPUTING PLATFORM:

One of the major obstacles to economic progress and growth is the lack of technical infrastructure and technology-enabled processes that enable good governance. The primary drivers of a nation's economic progress are E-governance, E-democracy and E-inclusion. E-governance is at the core of a wider concept of the Information Society, and has been recognized as an emerging development goal for all developing economies around the world.

A healthy and growing economy with technology enabled processes will fuel Geodesic's future business success in India and the developing nations. India is a region of tremendous opportunity for Geodesic and we see a huge demand for technology solutions over the next four years. With this in mind, Geodesic rebuilt Amida a powerful hand-held

LETTER TO SHAREHOLDERS

device that could be used by State & Central Government agencies for the purposes of authentication, validation, remote data processing and connectivity. Amida is now GeoAmida and includes a Linux based computing device that is integrated with smart card reader/ writers, printer, bio-metric sensors, RFID readers, GPS, GPRS/ Wi-Fi/ Bluetooth with further scope of adding camera and other devices through a USB port.

GeoAmida is currently being used for a wide range of applications including, National Rural Employment Guarantee Act (MGNREGA), Public Distribution System, Financial Inclusion, and Remote Health Management. Other possible areas include Law Enforcement and several remote service delivery situations. GeoAmida includes a Linux based terminal, a biometric sensor, two smart card reader/ writers, a printer, GPS, Wi-Fi, Bluetooth, USB ports, GPRS connectivity and RFID/ Bar code scanners.

GeoAmida has been implemented/piloted across these verticals in the states of Bihar, Madhya Pradesh, Kerala and Andhra Pradesh. GeoAmida has been used successfully in the implementation of financial inclusion implemented by Fullerton, State Bank of Hyderabad, Central Bank of India etc.

India's spend on information technology and E-governance may touch about \$4 billion next fiscal, according to Ministry of IT and Communication. Moreover, all State Governments and agencies will now have to compulsorily spend 2-3 per cent of their budgets on technology.

We at Geodesic are excited with opportunities in the E-governance space and are confident we will generate substantial business from this segment.

.Fn FINANCIAL PRODUCTS & SERVICES:

The economic slowdown and the subsequent recovery has thrown up a lot of interesting opportunities for Geodesic's Financial Products suite – ".Fn".

On one hand HNIs have started preferring a more direct involvement in making investment choices and more transparent reporting systems. The global HNI investment trends reflect a mood of cautious approach backed by substantial analysis of risk factors and needs. On the other hand, the Retail Investor continues to become more aware and informed preferring control and transparency. Service providers ranging from Wealth Managers, Advisors, Brokers and Distributors continue to hold "high service quality" as their main strategy for customer retention and growth. Most of these businesses tend to see 'technology' as an important driver towards consolidating their positions in a business of scales.

Geodesic's .Fn suite of financial products is designed to address the main interface between enterprise systems of Financial Services companies and their ever-demanding customer base. Our products are designed to enhance transparency and encourage analysis by using advanced statistical engines and captivating user interfaces.

Wealth Console: A consolidated investment reporting and analysis solution. Beyond investment analysis the Wealth Console also serves as a central communications engine (powered by Spokn). The key value proposition it brings to a PMS/Wealth Management firm is that it manages to bring together account statements and reports over large time periods and enables transparent analysis of investment decisions through a single window.

WalletWAP: A "trade-ready" mobile application aimed at instant access to an individual's Portfolio round the clock. The solution also gives complete access to market data and broker research. The primary benefit to a broker/distributor being that WalletWAP offers a ready to use, high-end portfolio reporting system to broker's customers - at a fraction of the cost. Geodesic offers the WalletWAP in a hosted mode thus absorbing the cost of infrastructure and bandwidth. Some of the early successes we achieved were at HDFC Securities Ltd and Business Standard Limited.

Custom Development: Geodesic has been developing some of the top online financial solutions since 2001. However more recently, we have added a few powerful Analytics Frameworks to make our custom development services more value-rich and competitive. Some of our recent deliveries were www.edelweiss.in, www.smartinvestor.in and www.myvucapital.com.

According to the 2010 World Wealth Report (By Merrill Lynch & Capgemini) the global HNI wealth stood at US\$39 trillion with Asia Pacific region accounting for 30.9% at US\$9.7 trillion. Closer home, there are over 17 million DP accounts.

CONTENT:

Content is the power behind many mobile VAS services and portals. Geodesic has been acquiring content in the space of education, audio & video entertainment and live news. We first acquired Chandamama - India's most valued children's magazine. We then signed agreements to stream and allow consumers to download Indian premium music, on demand video including live TV across multiple labels and channels across all digital devices.

Chandamama reaches out to more than 250,000 consumers in India and abroad every month. Chandamama is perhaps the only children's magazine in the world to be published in over 13 Indian languages. Chandamama's library of stories and articles is broad and vast. It is equivalent to story a day for the next 18 years without putting pen to paper without repeating the story even once. We have undertaken a massive exercise of digitizing and mobilizing the content to ensure we deliver mythology stories, information, science and technology articles on to computers and mobile phones in a way children are provided with all round education and information through channels, the new Generation prefers. Chandamama.com, our online magazine is now accessed in 84 countries and is published in as many as 13 Indian languages.

LETTER TO SHAREHOLDERS

Mundu Radio and TV - are now powered by the massive legal content aggregation Geodesic has undertaken. This strategy has helped Geodesic break barriers with large telephone network operators and handset/ device manufacturers world -wide since India is the preferred destination for all these telecom operators and handset manufacturers.

Most of our products and services have been derived from our integrated and modular content, communication and collaboration management platform. And our communication and collaboration products are integrated as part of our electronic computing platform.

We address multiple segments and generate our revenues from the following:

- Enterprise customers including Banking and Financial Services, Oil and Gas companies, Automobile companies and Multi National companies
- Portals and Publishers
- System Integrators
- Telecom Network Operators and Handset Manufacturers
- State & Central Governments

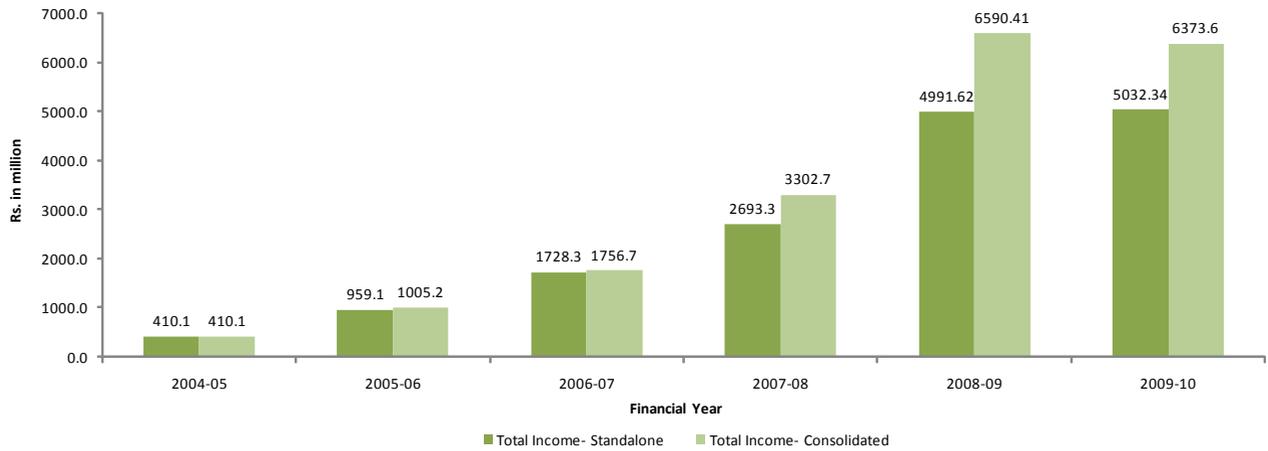
Geodesic has spread its reach across multiple continents and we have 12 offices around the world. We are 600+ people today and are actively hiring good talent. Geodesic retains its culture of intrapreneurship and embraces it as one of our fundamental strengths. Our culture encourages ideation and collaboration to address complex technical challenges. In addition, we welcome individual thinking and creativity. Many of our people, besides being technologists, are bikers, photographers, avid trekkers and sportsmen of repute and above all equity holders of Geodesic.

We have been awarded the Deloitte Asia 500 for the 5th consecutive year. We won several product awards - prominent amongst these are Best Mobile Internet Service by GSM Asia for Mundu IM for the Android platform and Social Innovation Honors 2010 for GeoAmida by NASSCOM.

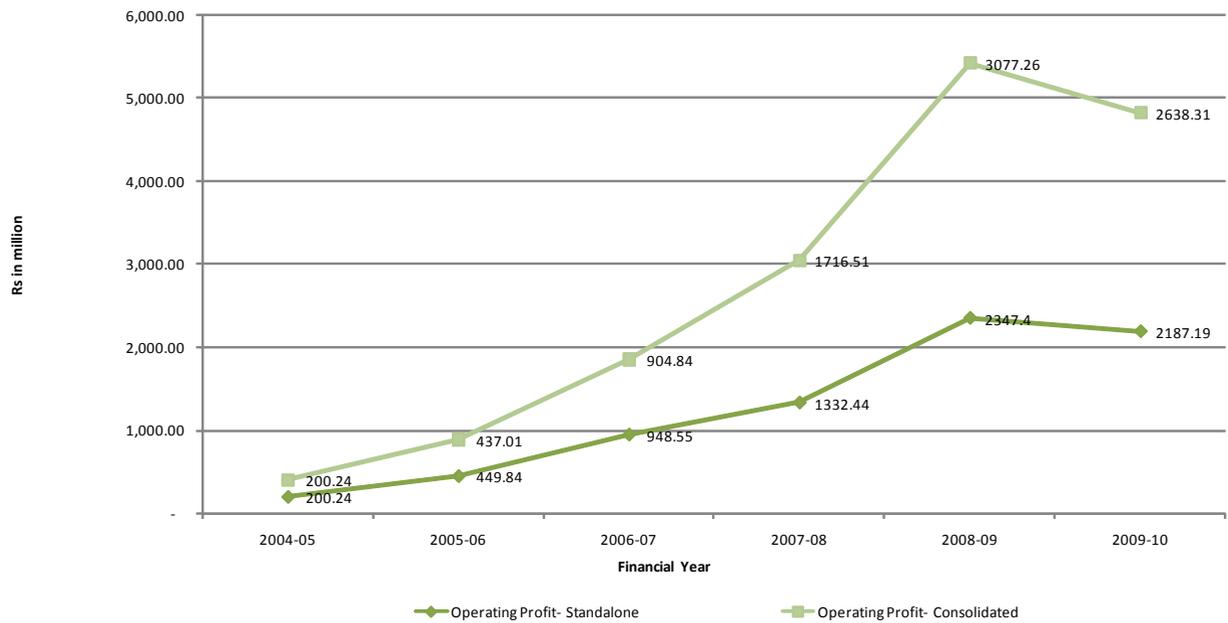
We accomplished a lot last year despite the economic downturn and are excited by all we still can do. The trust that our customers, vendors and investors - place in us is something we value and take seriously. We take this opportunity to thank our customers, shareholders, partners, users, employees, families and everybody else we may have forgot to mention.

FINANCIAL HIGHLIGHTS

Turnover

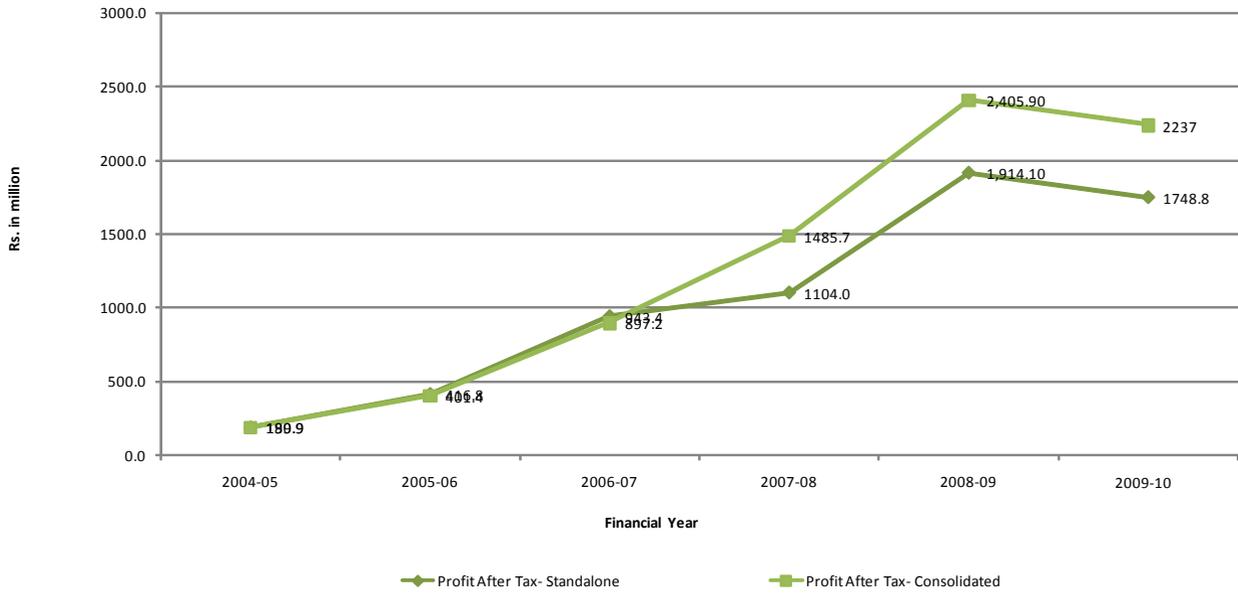


Operating Profit

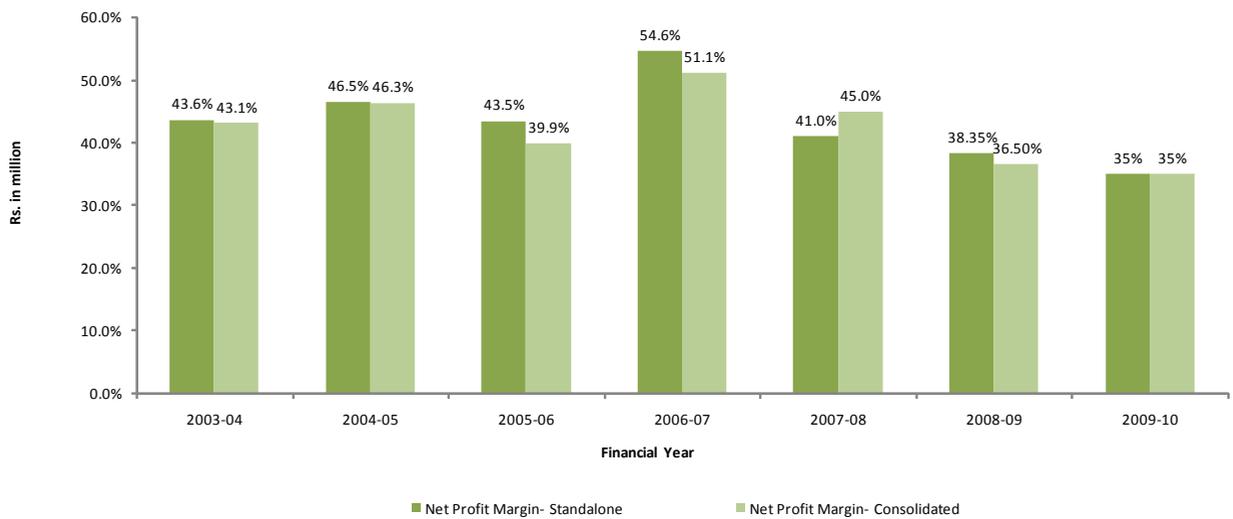


FINANCIAL HIGHLIGHTS

Profit After Tax

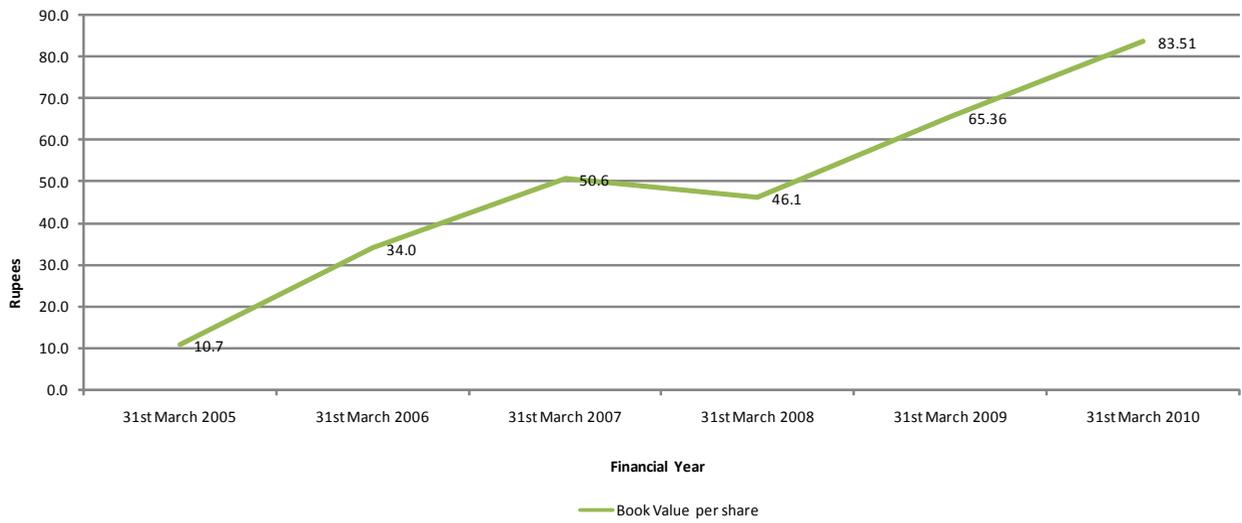


Net Profit Margin

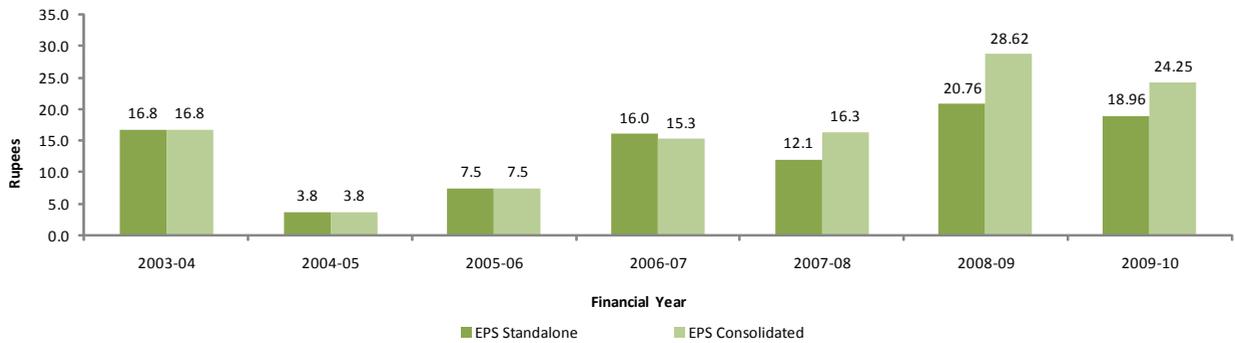


FINANCIAL HIGHLIGHTS

Book Value per share

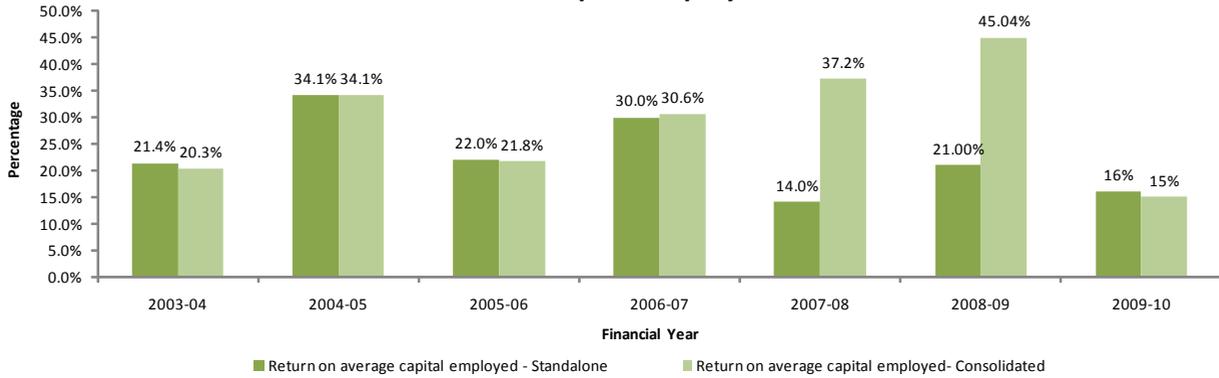


Earning Per Share

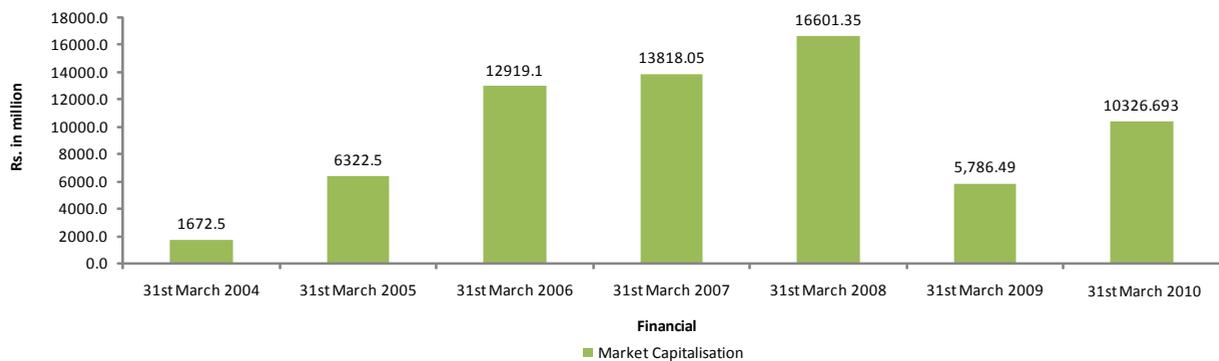


FINANCIAL HIGHLIGHTS

Return on Capital Employed

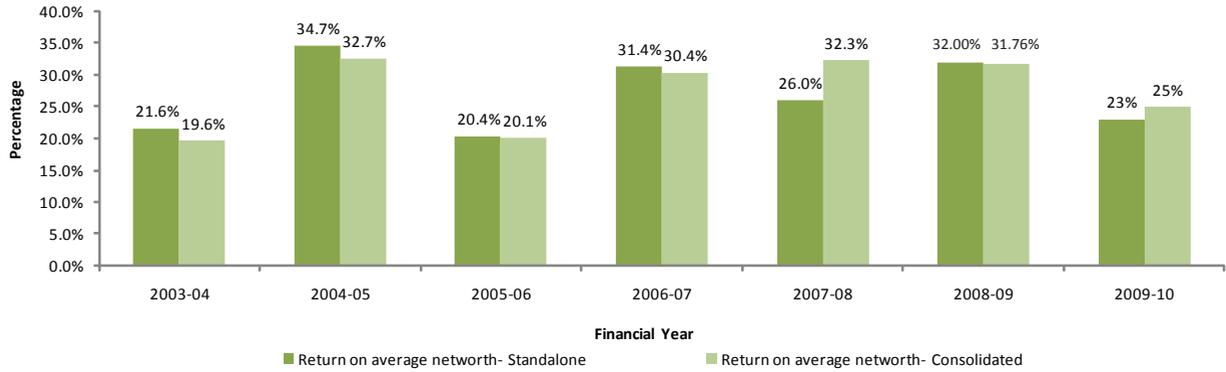


Market Capitalisation



FINANCIAL HIGHLIGHTS

Return on Network



Number of Shareholders



MANAGEMENT DISCUSSION & ANALYSIS

Overview

Geodesic is a leading technology company, focused on improving ways people communicate and collaborate, with one another across multiple digital devices using a universal interface. Geodesic's innovative and flexible communication and collaboration stack across three dimensions - contacts, product and campaign has helped enterprises and retail consumers lower their communication costs and increase efficiency in a big way.

Our aim is to integrate every aspect of content, communication & collaboration across digital devices and networks to provide enterprises and retail consumers with a comprehensive and future-proof platform. Geodesic has five business units, viz.

UNIFIED COMMUNICATION, COLLABORATION & CRM:

Continuum is a set of integrated services that enables enterprises to manage and leverage various communication and collaboration mediums effectively across a powerful contact management module. Continuum helps enterprises reduce communication costs, boost employee efficiency and productivity whilst logging extensive records for compliance purposes. CRM - an integral Continuum module parses logged communication and collaboration transcripts to align product/services/campaigns with customer needs.

Continuum is largely focused on the Banking & Financial Services Institutions, Large companies, Small & Medium enterprises and the large retail industry.

MOBILE MEDIA AND VAS:

Geodesic is at the forefront of mobile application development and value added services. We have been developing mobile applications since 2003 and have won several global awards including the prestigious GSM Asia award for the best mobile Internet service for our pioneering communication and entertainment applications. Geodesic has one of the widest platform (OS and Hardware) support and services to support our applications. Geodesic's Mundu has two distinct mobile application stacks -

Communication stack comprising of Mundu IM, SMS & Voice over the net and Mundu Sync (contact backup and management system).

An entertainment stack comprising of Mundu Radio (streaming Internet Radio across 35000+ global stations & premium Indian content) and Mundu TV (streaming live television and video on demand service)

Our mobile application framework is uniquely positioned to address three market segments viz. Telecom Network Operators, Handset Manufacturers and Retail Consumers in the Mobile Media and VAS business space.

ELECTRONIC COMPUTING:

GeoAmida is an integrated hand held device based on Linux and includes a bio-metric sensor, smart card reader/ writers, printer, a bio-metric sensor, RFID/ Bar code reader, GPS, GPRS/ Wi-Fi/ Bluetooth with further scope of adding a camera and other devices through a USB port. GeoAmida as a device is being used as one of the tools to mainstream the marginalized and is currently being used for the

purposes of authentication, validation, remote data processing and connectivity.

GeoAmida is currently targeted at State and Central Governments of developing nations and will be used for a wide range of applications including, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Public Distribution System, Financial Inclusion, Remote Health Management and Law Enforcement.

FINANCIAL PRODUCTS & SERVICES:

Geodesic's .Fn suite of financial products is designed to address as the main interface between enterprise systems of Financial Services companies and their ever-demanding customer base. Our products are designed to enhance transparency and encourage analysis by using advanced statistical engines and a riveting user experience.

WEALTH CONSOLE:

A consolidated investment reporting and analysis solution with a central communications engine bring together account statements and reports over large time periods and enables transparent analysis of investment decisions through a single window.

WALLETWAP:

A "trade-ready" mobile application aimed at instant access to an individual's portfolio round the clock besides providing complete access to market data and broker research reports.

Wealth console and WalletWAP are being targeted at large broking houses, wealth managers, Banks and financial portals.

CONTENT MANAGEMENT SYSTEM:

Geodesic has been steadily building a content repository that ranges from children's content to education to entertainment. This content is being managed in multiple formats including print, digital and mobile. Geodesic leverages this content to its advantage when we sign agreement and contracts with Media houses, Telecom Network Operators, Handset Manufacturers and Retail Consumers.

Geodesic actively used its content management system to help movie studios to combat the online anti-piracy menace and help these studios get more theater footfall and thereby earn more revenues for their movies.

MANAGEMENT DISCUSSION & ANALYSIS

REVENUE GENERATION:

Geodesic derives its revenues from the following segments:

ENTERPRISE OFFERING:

Geodesic offers its unique enterprise solutions to and derives its revenues from Enterprise customers including Banking & Financial Services Institutions, Portals and Publishers, State and Central Government, Telecom Network Operators, Handset Manufacturers, Educational institutions, Small/Medium & Large Enterprises. Our strong Business Development team ensures we reach out to enterprises across the globe using a combination of a direct sales and through system integrators / partners/ value added resellers.

RETAIL OFFERING:

The Mundu stack of products are retailed across www.mundu.com, multiple application stores including Nokia's Ovi Store, Apple's App Store, Palm Store, Blackberry Store etc. We launched Spokn- our Internet telephony product across www.spokn.com and Application Stores. Our products have had great editorial and user reviews besides winning GSM Asia, PC Magazine and C|net awards.

Geodesic's flexible content, communication and collaboration platform allows us to implement multiple solutions and business models to address multiple segments with ease. While we strive to maintain uniform pricing and business models across the globe, region specific sensibilities constrain us from implementing a uniform global business models. However, our business model includes a strong recurring revenue component across our products and market verticals.

"Continuum" - our unified communication, collaboration, content management and CRM software provides a comprehensive platform that allows enterprises to communicate and collaborate seamlessly over all communication channels including Email, Instant Messaging, SMS and Voice. Continuum lets enterprises use their existing infrastructure such as EPABXs, desktops and analog phones.

We acquired Engage Solutions Hong Kong (now called Geodesic Hong Kong Limited Ltd) in 2005, a company that offers Spyder - a comprehensive Customer Relationship Management system that aligns customers based on three dimensions - people, product and campaigns. Fees derived from Spyder are recognized as recurring license fees on a per seat per month basis from enterprises. Geodesic has integrated this CRM module as part of Continuum to ensure better customer management and retention. Spyder is also licensed as a stand alone product to enterprises that need a CRM system.

Continuum is compliant with regulatory authorities in most regions and is based on open standards and integrates with most ERP systems, Work and Document Flow Management systems to ensure a seamless experience across enterprise applications. Continuum cuts enterprise communication costs by over 35% and greatly increases employee productivity without losing on convenience.

Geodesic works with several system integrators and channel partners besides our direct sales team to reach out to enterprises worldwide. We have established a business model that is unique to this segment

and we charge a recurring license fee on a per user per month basis to the enterprise whereas we integrate modules of Continuum with system integrators and mirror their business model.

Modules of Continuum such as Instant Messaging, SMS, content management are also white labeled for Portals and Publishers to engage their users with content and lead to revenue generation from advertisements. Universal communication tools viz. Instant Messaging, SMS, Content Management allow Portals and Publishers to acquire users at a fraction of a cost that is generally spent on user acquisition.

We have garnered a substantial user base across various enterprise segments. However, Continuum in most cases requires a fair amount of integration and customization with their deployed enterprise systems. Geodesic takes complete ownership of the enterprise account and outsources customization to IT services companies to ensure we remain focused on products. Unified Communication, Collaboration and CRM as a concept is in the growth phase and has immense growth opportunities. Unified communication, collaboration and CRM contributed substantially to our revenues during fiscal 2010. Geodesic is actively pursuing this space and expects substantial growth from this business unit.

Mobile media and VAS refers to our applications viz. Mundu IM, Mundu SMS, Mundu Radio, Mundu TV and Spokn. These applications are largely used by retail consumers the world over and Geodesic has successfully managed to address three major sub segments of the mobile media and VAS viz. Telecom Network Operators, Mobile Handset Manufacturers and Retail Consumers. Geodesic's strategy to reach out to retail consumers through handset manufacturers and telecom operators has led to Geodesic lowering its user acquisition costs.

Geodesic has different approaches in modeling our business with the following three sub-segments; We rely on per user per month subscription fee for Telecom Operators and charge a per phone royalty fee per handset for device manufacturers. Geodesic's retail strategy has largely been subscription and usage driven. Instant messaging has been fairly commoditized and we have reduced our subscription fees for Mundu IM from US\$11 to US\$2.99. The current Mundu IM version includes social networking connects to make it more relevant to the Facebook/ Twitter generation. However, we are scheduled to launch a universal mobile messenger across popular platforms including iPhone, Blackberry, Android, Symbian and Palm Web OS. We are confident that this universal mobile messenger will revolutionize the way people interact with one another.

We acquired Interactive Networks Inc. (INI) a company that offers certified instant messaging solutions to the telecom network providers. INI strongly strengthens our telecom operator market and we have now signed with more than 17 telecom operators across Latin America, Asia, Africa and Europe.

MANAGEMENT DISCUSSION & ANALYSIS

The demand for mobile audio, gaming, information and video applications will grow substantially in the next three years with the advent of 3G/4G/ Wimax/ LTE networks being rolled out. Mundu radio and Mundu TV stream audio and video including Live TV (News, Business News, Sports, Entertainment etc) and video-on-demand. Mundu Radio currently has more than 35000 audio channels and Mundu TV has more than 20 live television channels besides a lot of video on demand content. Both these entertainment products have been well accepted by consumers worldwide. Mundu Radio and TV both support a wide range of networks (GPRS/EDGE/ 3G/WIFI) and devices to suit the needs of the products.

Spokn our voice over the internet service is a complete telephony system and takes advantage of the fact 50% of all voice traffic will move over the Internet. With networks and technologies getting better, Voice quality is bound to improve dramatically. And perhaps, this is the one reason, why telecom operators are inching towards integrating their existing infrastructure (traditional cell towers) with the Internet for their voice services.

Spokn provides consumers with a virtual phone numbering system in eight countries at this time and we will extend virtual phone numbering system to 40 different countries. Spokn's unique virtual phone numbering system makes Spokn users a local away in as many as eight countries as of now. Spokn rates are amongst the lowest calling rates in the world and do not include any hidden costs. Spokn is widely used by an enterprise in various new formats including click to call, voice blast and drop, integrated calling from within E-mail etc.

Spokn enjoys the status of a licensed Internet telephony Service Provider in Singapore and has termination agreements with multiple telecom service providers around the world. Revenues for Spokn come in from call minutes used by enterprises as part of Continuum and retail consumers. Spokn is available on desktops and prominent mobile platforms including the iPhone, Blackberry, Symbian etc.

We acquired PicoPeta Simputers Private Limited in 2006, a company that pioneered Asia's first handheld computer in 2002 and built several path-breaking applications around the Simputer. Geodesic found great synergies with PicoPeta and its people in terms of our focus on mobile applications and zest for innovative work. We merged PicoPeta with Geodesic Ltd in 2008 and wrote off our investment then.

With the Indian economy growing faster than ever before, the Indian Government focused on E-Governance projects to mainstream the marginalized people. One of the key issues faced by the Government was authenticating and validating people in remote locations besides connectivity options. **Geodesic built GeoAmida** - an integrated Linux based device that includes a bio-metric sensor, smart card readers & writer, printer, GPS, RFID/Bar Code Scanner, connectivity options viz. Wi-Fi, GPRS/ EDGE/ CDMA/ 3G etc. GeoAmida won the prestigious Nasscom Social Innovation Honors during the year.

Geodesic adopted a strategy of aligning itself with prominent system integrators that handled E-governance and Financial Inclusion projects across financial institutions, state and central Governments. And this strategy has paid off - we have integrated GeoAmida and its versatile open API software with most system integrators in India. GeoAmida is currently being used in various applications including Mahatma Gandhi National Rural Employment Guarantee Scheme, Public Distribution System, Law Enforcement, Education, Transport, Remote health care management and Financial Inclusion.

The opportunity for GeoAmida as a micro ATM and as an authenticating / validating device in the prestigious Unique Identity project is huge over the next five years. We have set up infrastructure in the state of Uttaranchal to cater to the growing demand for the GeoAmida.

GeoAmida is sold as a hardware device with a 12 month warranty and we charge annual maintenance and upgrade fees from the second year. Customization if any, is charged at person-hour rates.

Geodesic laid emphasis on building content to power our value added services offering and acquired Chandamama - a prestigious children's magazine that has been around for more than 6 decades. Chandamama is published in 13 Indian languages and its content includes information, education, mythology, puzzles & games. Chandamama is currently being digitized and mobilized for global audiences. Consumers can browse through earlier copies of Chandamama on www.chandamama.com. Chandamama has more than 26 registered characters and close to 70000 stories. People from over 84 countries access Chandamama.com and we are working towards building Chandamama into an international brand. Chandamama content will be used as a service offering in many of our Mundu products besides providing Chandamama stories to Film Studios and Production houses.

Astrology, Bollywood and Cricket rate as India's top entertainment options and these options are now being mobilized. Geodesic sees a huge opportunity in this space and has acquired substantial content in the space of entertainment (audio and video). Geodesic has launched a Beta version of its own entertainment offering in the form of www.filmorbit.com. The site caters to film connoisseurs with deep content discovery options, social network updates and commerce. The site offers legal streaming of music, videos and films on desktops and mobile platforms. We are certain that this content will boost usage for Mundu Radio and Mundu TV on the retail front and also allow us to have strategic partnerships with telecom operators and mobile handset manufacturers.

Geodesic has been integrating content with mobile media and VAS offerings to ensure we supplement our technology with content services. We have seen a growing trend of partners aligning with companies like Geodesic because of their ability to package a solution around strong technology and content services.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS TRENDS:

Our business has grown swiftly since inception, resulting in substantially increased revenues, and we expect that our business will continue to grow. However, our revenue growth rate generally declined over the last few quarters as a result of a number of factors including increasing competition, new development initiatives, enhanced sales cycle. In addition, the current general economic downturn may result in fewer commercial deals, which could negatively affect the growth rate of our revenues.

Geodesic has taken effective steps to ensure consistent revenue growth rate by reorienting our existing products and market verticals. This reorientation will help us penetrate newer market segments. The main focus of our marketing plans is to provide relevant and useful products/ services to our users, reflecting our commitment to constantly reduce their communication costs and improve their overall experience. As a result, we expect to continue to take steps to improve our product/ service offerings and acquire technologies and companies that add value and enhance our revenues.

We continue to invest in building necessary employee and systems infrastructure required to manage our growth and develop and promote our products and services, and this may cause our operating margins to decrease marginally. We have experienced and expect to continue to experience growth in our operations as we build our research and development programs, expand our base of users, system integrators, app stores, content providers, and increase our presence in international markets. Also, we have acquired and expect to continue to acquire businesses and other technologies going forward. These acquisitions generally enhance the breadth and depth of our products and services offering, expertise in engineering and other functional areas. Our full-time employee head count has increased over the last 12 months, growing to 600+. We have recently made efforts to improve the discipline of our hiring process and we expect to continue to invest in our business, and this may cause our operating margins to decrease.

Our domestic revenues have grown as a percentage of our total revenues in 2009-2010. This increase in the portion of our revenues derived from the Indian markets resulted largely from GeoAmida sales, Continuum licenses and new Telecom operators for our VAS offerings.

The increase in international revenues derived from international markets increases our exposure to fluctuations in foreign currency to Re. exchange rates. We have a foreign exchange hedging program that is designed to reduce our exposure to fluctuations in foreign currencies, however this plan will not fully offset the effect of fluctuations on our revenues and earnings.

FINANCIAL PERFORMANCE:

We generate our revenue by developing, licensing, usage fees and supporting a wide range of software products and services for various market segments and digital devices. Our software products and services include Continuum, Spyder, Mundu communication & entertainment stack, Wealth Console, Content Management System and GeoAmida.

Geodesic grossed revenues of ₹ 637 crore in 2010 as against ₹ 653 crore in 2009. Our earnings for fiscal 2010 were ₹ 224 crore as against ₹ 264 crore in fiscal 2009. The net increase in cash flow for fiscal 2010 was ₹ 21 crore.

Revenues declined across most segments primarily driven by weakness in purchasing technology products globally and the unfavorable economic environment. Primary factors contributing to the decline include the following:

- Revenue from unified communication, collaboration and CRM declined reflecting delayed purchases of technology and productivity software systems. A price reduction of 25% in license fee for existing and long served customers and a decline in the uptake of licenses by system integrators.
- Revenue from our Mobile media and VAS division decreased across device manufacturers and retail consumers. The decline in revenue is primarily due to lower shipment of smart phones than the projected quantity and price reduction across all products for the retails consumers during the last 12 months.

The above declines were partially offset by increased revenue derived from the electronic computing division, reflecting Geodesic's ability to reorient its products and cover lost ground in terms of revenue and creating newer market segments.

Operating income decreased primarily reflecting decreased revenue. Operating expenses including research and development costs increased along with increased general, administrative and sales and marketing expenses aided by increased head-count related expenses, cost of revenue, and support costs.

- General expenses including administrative, sales and marketing costs increased ₹ 57 crore or 7%, primarily due to increased costs for new offices, logistics and contingencies. As part of that program, we increased our marketing and advertising expenses to promote our brands.
- Human resource related expenses amounted to an increase of ₹ 21 crore or 9% , driven by an increase in head-count during the past 12 months and an increase in salaries and benefits for existing head-count.
- Cost of revenue increased ₹ 36 crore or 9%, primarily reflecting increased marketing and Business development costs, online costs, including online traffic acquisition, data center and equipment, software systems, network management, logistics and head-count related costs.

MANAGEMENT DISCUSSION & ANALYSIS

COST OF REVENUE:

Cost of revenue includes developing and distribution costs for products sold and applications licensed, operating costs related to product support service centers and product distribution centers, costs incurred to drive traffic to our website, costs incurred to support and maintain Internet-based products and services, warranty costs, inventory for GeoAmida, costs associated with the delivery of enterprise solutions & services, writing off software development expenses and amortization of capitalized work-in-progress development costs associated with software products that are being developed currently.

We expect cost of revenues to increase as a percentage of revenues in the future as a result of forecasted increase in data centre and bandwidth costs for Spokn, Mundu Radio & TV services, content acquisition, extended Business Development and Sales, setting up support and logistics systems for GeoAmida, higher inventory, software development expenses (outsourcing & software packages purchase) and online transaction costs.

RESEARCH & DEVELOPMENT:

Research and development expenses consist primarily of compensation and related costs including equipment and software package purchases for personnel responsible for the research and development of new products and services, as well as significant improvements to existing products and services. We expense research and development costs as they are incurred. In addition, there was an increase in depreciation and related expenses due to our increased capital expenditures.

We expect that research and development expenses will continue to increase and may increase as a percentage of revenues in 2011 and future periods because we expect to employ more research and development personnel on average compared to prior periods and build the infrastructure required to support the development of new and improve existing, products and services.

SALES & MARKETING:

Sales and marketing expenses include payroll, employee benefits, stock-based compensation expense, customer service and other head-count related expenses associated with sales, marketing and support personnel besides advertising, promotions, trade shows, seminars, conferences and other programs.

We anticipate that sales and marketing expenses may continue to increase and as a percentage of revenues in 2010 and future periods as we continue to expand our business on a worldwide basis.

INCOME TAX:

Income tax, in case of the Company and its Indian subsidiaries, 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 in case of the parent Company and its Indian Subsidiaries and in case of foreign subsidiaries, as per the relevant Tax Laws and Acts applicable in the respective countries. The tax effect of temporary differences between the book profit and taxable profit are reflected through Deferred Tax Asset / Deferred Tax Liability.

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 a 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 is eligible for 100% tax holiday under Section 10A of the Income Tax Act, 1961 until March 2011. 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 recognized.

The Company started manufacture of GeoAmida at their unit in Roorkee, 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.

No provision is considered necessary for taxation for the year since there is no taxable income under the normal provisions of the Income Tax Act. Further even the book profit is not liable to Minimum Alternate Tax as the same entirely arises from an undertaking in the Special Economic Zone (SEZ).

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

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL 2010 SNAP SHOT:

REVENUES:

Geodesic grossed revenues of ₹ 637 crore in 2010 as against ₹ 653 crore in 2009. Our earnings for fiscal 2010 was ₹ 224 crore as against ₹ 264 crore in fiscal 2009. The net increase in cash flow for fiscal 2010 was ₹ 21 crores.

NET PROFIT:

Net Profit at ₹ 224 crore in fiscal 2010 resulted primarily from growth in addressing newer segments, deepening existing institutional relationships, expanding our institutional and retail product line, signing up with more system integrators and increasing our user base across the retail segment.

EARNING PER SHARE:

Our EPS stands at ₹ 24.25 as compared to ₹ 26.67 of the twelve months of the previous year.

DIVIDEND:

As the profit and growth of the Company continued, Geodesic board declared an Interim Dividend of ₹ 0.75 per share of face value of ₹ 2/- on 29th January, 2010 which was duly paid on 24th February, 2010.

The Board of Directors is extremely pleased to recommend for your approval of shareholders the payment of a Final Dividend of ₹ 1.00 per share of face value of ₹ 2/- for the year 2009-10. Together with the Interim Dividend, the total dividend for the year shall be ₹ 1.75 per share of face value of ₹ 2/- (87.5%).

FOREIGN CURRENCY CONVERTIBLE BONDS:

Geodesic had issued US\$ 125 million unsecured, 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 FCCB, 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.

GEODESIC EMPLOYEES STOCK OPTIONS PLAN 2002:

During the year, Geodesic has granted 5,00,000 options to the eligible employees of the Company and its subsidiaries under Geodesic ESOP plan 2002. As on 31st March, 2010, out of the total options granted and vested, employees have exercised 28,825 options that are converted into even number of equity shares of ₹ 2/- each. A total of 36,32,715 options are outstanding under the ESOP plan as on 31st March 2010.

Neither any employee has been granted Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of Geodesic 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.

BUYBACK OF EQUITY SHARES:

Geodesic is in the process of purchasing back its fully paid equity shares with the face value of ₹ 2/- each, as per the provisions of Sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956 read with SEBI (Buyback of Securities) Regulations, 1998. Geodesic proposes to buy back up to 5% of the equity capital and reserves of the Company i.e. an aggregate amount not exceeding ₹ 30.70 Crores at the maximum price of ₹ 150/- per share. The Board of Directors had discussed and consented for the same on 7th May, 2010.

MANAGEMENT DISCUSSION & ANALYSIS

NEW PRODUCT LAUNCHES:

Our product development philosophy involves continuous innovation and augmenting our existing products to churn new and exciting products. We believe in frequent releases and launch these products as Beta. We then iterate and improve the user experience and launch the product. This strategy allows us to get the product tested by a wider audience.

Geodesic launched a spate of new products, technologies and software products to cater to our customers and retail consumers besides augmenting our existing products with new features to cater to newer segments.

Continuum - Geodesic launched "Continuum" a cloud based enterprise wide unified communication (Email/IM/SMS/Voice) and collaboration (Text-Audio-Video Conferencing, white-boarding, application sharing) suite that seamlessly integrates Spyder CRM. Continuum focuses on communications enabled business processes, collaboration, contact management and saves communication costs, increases efficiency and reduces the sales cycle across the enterprise. Continuum is available for desktops, web and mobile devices for mobility purposes and is the only product in the world to integrate CRM with unified communication and collaboration.

Continuum lets us address newer markets including the huge small/medium enterprise market across multiple geographies.

GeoAmida - Geodesic GeoAmida is one of the most flexible hand-held devices based on Linux and open protocols. We developed Open Alchemy - open software development kit that allows system integrators to build various applications for the GeoAmida.

GeoAmida developed transportation and tele-medicine applications for GeoAmida to cater to E-governance initiatives in India and other developing nations. These two applications expand our market size beyond MGNREGA, PDS, Law enforcement and Education markets.

Mundu TV - Geodesic launched Mundu TV a desktop/mobile application that streams Live TV and video on demand content from our servers across the world. Mundu TV currently stream News, Business News, Sports, Entertainment and Lifestyle channels and is available on a host of platforms including Symbian, Windows Mobile and desktops, Mac OS, Android etc. Geodesic will deepen its association with handset manufacturers and telecom network operators with Mundu TV.

Mundu SMS: Geodesic launched its International SMS service for India, Australia, Singapore, Philippines, South Africa, U.A.E. and United Kingdom. Mundu SMS service will be available for more than 100 countries during this financial year. We augmented our SMS service with a scheduler that allows consumers to schedule SMS wishes for events, occasions and notifications through out the year. Mundu SMS has been deeply integrated with Continuum to enhance revenue-generating opportunities across segments. Mundu SMS is a flexible service and is available for the desktop and mobile phones across multiple platforms.

Film Orbit: The Company launched a Beta version of Filmorbit, a portal dedicated to the entertainment and media industry in India. The portal allows users to discover content like never before and uses the Mundu entertainment stack as a means to deliver deep interlinked content on the mobile and desktop platforms.

Geodesic reoriented **ADePT** a content management and manipulation tool to power an online anti-piracy software engine. The software engine prevents piracy to the extent of 95% and is effective for web and Peer-to-Peer downloads.- Our technology was used for many a movies in India viz. Housefull, Raavan, Kites, Rajneeti, I Hate Luv Storys amongst others. This Online Anti-piracy engine enhanced theatrical footfall and increased home video and DVD opportunities, thereby boosting revenues for production houses and studios.

Chandamama, a subsidiary of Geodesic, launched several SKU's including the Art Book and a series of new comics. We also launched a widget that provides new story alerts to its subscribers. The widget has been downloaded in as many as 84 countries. We are building an international brand out of Chandamama and the future periods will see mobile, video and audio stories across digital devices.

MANAGEMENT DISCUSSION & ANALYSIS

NEW PARTNERS AND CLIENTS

Geodesic during fiscal 2010 added several clients to its list of prominent clients including Indian state and Central Governments, Telecom Network Providers, System Integrators, Handset Manufacturers, BFSI, Education Institutes, Portals & Publishers, Micro-Finance Companies amongst others.

Geodesic has rapidly expanded its Business Development and Sales Activity in India and we have signed on a host of customers across segments. We are extremely positive about the huge addressable market in India.

NEW INITIATIVES

Geodesic is set to launch ENLYTE (Education 'n' Learning You Take Everywhere), a student study bench environment that enables compilation of relevant data from diverse sources into a single document. ENLYTE streamlines and simplifies the process of studying so that one can do away with the clutter of books, notes, electronic versions, newspaper clippings etc. ENLYTE is focused on the huge education market globally and is unique in its approach to education. We believe ENLYTE will make Education fun and play.

NEW COMPANIES AND ACQUISITIONS

During the year, Geodesic continued its expansion plan by incorporating Geodesic Gridpoint Energy Private Limited to develop products that will help Governments and Enterprise conserve energy by reducing/ preventing energy losses in various sections of transmission due to inefficiencies and theft in the system.

Geodesic established a strategic alliance with ZEEL (Zee Entertainment Enterprises Limited), to launch real time and on-delivery entertainment applications for the mobile and Internet enabled devices. ZEEL and Geodesic formed a new company called ITM Digital Private Limited to address the hugely growing market for content convergence and mobile value added services on three screens viz. TV, desktop and mobile phone.

These two companies will commence operations during fiscal 2011 and contribute substantially to Geodesic's growth plan besides actively pursuing acquisitions in the space of social media and mobile commerce.

All Our Foreign Subsidiaries - Geodesic Information Systems Inc. (GISI), USA; Geodesic Hong Kong Limited (GHKL), Hong Kong; Interactive Networks International Inc. (INI), BVI; Publicidad Digital S.A (PD), Uruguay and Emiloto Associated Inc., Panama Islands are foreign step down subsidiaries of Geodesic Ltd through Geodesic Holdings Limited (GHL).

Geodesic Technology Solutions Limited (GTSL), Hong Kong is the only company outside India, other than GHL, which remains as the direct and wholly owned subsidiary of Geodesic Limited as on date of this report.

During the financial year 2009-2010, Geodesic has incorporated a step down subsidiary – Geodesic Technology FZE (GTF), Dubai through Geodesic Holdings Limited.

MANAGEMENT DISCUSSION & ANALYSIS

AWARDS AND RECOGNITION:

Geodesic bagged Deloitte Technology Fast 500 Asia Pacific 2009 award and Deloitte Technology Fast 50 India 2009 award besides being a Forbes 200 Best under a Billion-Asia Pacific companies – 2009.

GeoAmida won at the NASSCOM India Leadership Forum 2010 award.

Mundu IM won the Best Internet Mobile service award at GSM Hong Kong and also won the Handango Championship 2009 award for the best social application on Blackberry.

Mundu Radio was rated as one of the top 10 Nokia OVI store application in the entertainment section and was listed as one of the top six applications at the AT&T Dev Central Fast-Pitch 2009 Platinum Awards Contest during CTIA Wireless.

AN INSPIRING WORKPLACE AGAINST ALL ODDS:

The uncertain economic conditions opened up a huge opportunity to acquire people talent and Geodesic did not let this opportunity go past it. We acquired great young talent from top institutes in the country and acquired experienced people from a host of great companies to strengthen our senior and middle management besides supplementing our growth going forward.

Geodesic has built a culture of intrapreneurship and embraced it as one of our fundamental strengths. Our culture encourages ideation and collaboration to address complex technical challenges. In addition, we welcome individual thinking and creativity. We have assembled a highly talented group of employees. Despite our rapid growth in the last decade, we constantly maintain a start-up feel that promotes interaction and the exchange of ideas amongst one another in the company. We strive to maintain a flat corporate hierarchy to facilitate meaningful communication among employees at all levels, across departments and subsidiaries.

MANAGEMENT DISCUSSION & ANALYSIS

STRATEGY GOING FORWARD

Geodesic's business has grown rapidly over the past decade and our strategy of partnering with like minded companies, system integrators, popular web stores in distributing our products has resulted in consistent revenue and earnings growth. We will continue with our strategy of partnering with like enterprises going in FY 2011.

We are and will be investing heavily in building the necessary system and network infrastructure required to manage our growth. We will develop new products and services in the space of unified communication and collaboration on the mobile phones and other digital devices.

We will continue to invest in our research and development program to build products to increase our presence in international markets including the developing countries. We have acquired and expect to acquire businesses and technologies as and when the opportunity presents itself.

The economic downturn has provided us with another opportunity - Talented workforce. Our full-time head count has now touched 600+ people and we will continue to invest in talented people to stay ahead of the competition.

We will make significant capital expenditure investments into information technology infrastructure and offices globally to increase our market footprint internationally. As a result of all of the above, the growth rate of our expenditure may exceed our revenue growth.

FACTORS AFFECTING OUR BUSINESS

POTENTIAL FLUCTUATIONS IN RESULTS

Our operating results may fluctuate because of a variety of factors including changing economic conditions and its related effects on workforce size, purchasing patterns, compliance with new regulatory requirements, mix of products and services sold, ability to effectively integrate acquired businesses and industry trends.

PRODUCT DEVELOPMENT AND TECHNOLOGICAL CHANGE

Continual change and improvement in software connectivity, hardware technologies characterize the markets for communication and collaboration systems. The Company's future success will depend largely on its ability to increase the capabilities and enhance its existing products, to develop new products and interfaces to third-party products on a timely basis to meet the increasingly sophisticated needs of its customers.

ATTRACTING AND RETAINING TECHNICAL PERSONNEL

Geodesic has successfully managed to hire the best talent from across the globe. However, the company may encounter intense competition for experienced technical personnel for product development, technical support, marketing and sales. This could adversely affect our ability to develop, support and sell products on time.

COMPETITION

We operate in a market characterized by swift changes and convergence. We face formidable competition in every aspect of our business; particularly from companies that seek to connect people across geographies over IP based communication and collaboration on multiple platforms. We do face competition from other mobile VAS providers, including start-ups as well as developed companies that are enhancing or developing mobile applications and technologies.

We provide several web and mobile products and services, including a universal instant messenger, SMS, VoIP, Internet Radio and Live TV & video on demand besides financial products, that compete directly with new and established companies that offer communication, content, and entertainment services integrated into their products or media properties.

Geodesic however, has a well-integrated platform that includes content management, communication, collaboration and a CRM module across platforms that will ensure we stay ahead of the curve. We are augmenting features and products to our existing products and own the complete value chain of products and services we address.

DEPENDENCE ON ALTERNATE DISTRIBUTION CHANNELS

The Company markets and sells its products through its direct sales organization, independent value added resellers, OEMs and System Integrators. Substantial portion of our revenue was generated through sales to dealers and OEMs. Reduction in the sales efforts of the Company's major dealers and/or OEMs, or termination or changes in their relationships with the Company, could have an adverse effect on the results of the Company's operations.

RELIANCE ON KEY VENDORS

The Company depends upon the reliability and viability of a variety of software development tools owned by third parties to develop its products. If these tools are inadequate or not properly supported, the Company's ability to release competitive products in a timely manner could be adversely effected. Also, certain parts and components used in the Company's hardware products are purchased from single suppliers. Complete dependency from single source may have an adverse effect on the Company's operating results.

OUTSTANDING PAYMENT

The company faces problems of outstanding payments, with new customers and existing debtors asking for a longer credit period owing to the global meltdown. The cash turn around cycle can be longer and cash flows may get affected in future periods.

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 year ended 31st March, 2010 and that to the best of our knowledge and belief:

- i) These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading;
- ii) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the 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:

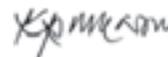
- i) Significant changes in internal control over financial reporting during the year;
- ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements.

Place: Mumbai

Date : 27th August, 2010



Pankaj Kumar
Chairman



Kiran Kulkarni
Managing Director



Prashant Mulekar
Executive Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 10th Annual Report (post demerger) of your Company on the business and operations together with the audited results for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2009-10 are tabulated below:

Particulars	(₹ In Lacs)	
	Year ended 31st March	
	2010	2009
	Audited	Audited
Net Sales/ Income from Operations	48,747.79	49,379.29
Other Income	1,575.64	1432.98
Total Income	50,323.43	50,812.27
Total Expenditure	25,528.55	24,116.15
Gross Profit before Interest, Depreciation and Taxes	24,794.88	26,696.12
Finance Cost	3,720.94	4,034.50
Depreciation & Amortization	4,480.86	3,146.83
Profit before Tax	16,593.08	19,514.79
Provision for taxation	-	1,549.00
Profit before Deferred Tax	16,593.08	17,965.79
Deferred Tax (Credit) / Charge	(189.30)	199.20
Prior period expenses	92.06	986.48
Net Profit after Tax	16,690.33	16,780.11
Exceptional Income	797.97	2360.94
Net profit after Exceptional Income	17,488.30	19,141.05
Appropriations:		
Balance brought forward	39,150.43	23,650.83
Transfer to General Reserve	1,748.90	1,915.04
Dividend:		
- Interim (equity)	691.83	737.73
- Final (equity)	922.44	737.72
Tax on Dividend:		
- Interim (equity)	117.58	125.37
- Final (equity)	152.46	125.37
Balance carried to Balance Sheet	53,005.44	39,150.43
Paid - up equity share capital	1844.88	1844.30
Reserves excluding Revaluation Reserves	75,191.22	59,563.26
Earning per share	18.96	20.76
Diluted Earning per share	18.86	20.72

DIRECTORS' REPORT

REVIEW OF OPERATIONS:

Geodesic fiscal 2010 was a "mixed-bag year". Geodesic, for the first time, saw a decline in our growth during fiscal 2010 after having achieved a sustained growth rate, year on year during the last ten years. The global recession has had a major impact on the financial performance of companies around the world in virtually every industry in fiscal 2010, and Geodesic was no exception. However, we do not wish to cite recession, global meltdown or difficult environment as excuses. We are planning to include counter measures to handle these downturns going forward.

Thanks to our fiscal strength and prudent approach to investment, a strong pipeline of new products and services, marketing reach and addressing newer segments helped us tide over the difficult business environment. We responded to the uncertain economic environment with speed and agility to cover lost ground but at no point in time, did we sacrifice on innovation, employee motivation, customer satisfaction, acquisitions and building partnerships with like-minded companies.

Geodesic continued its focus on developing technologies that allow people to communicate and collaborate with one another across multiple digital devices using a universal interface. Geodesic's flexible and unified content, communication and collaboration platform named 'Continuum' helps us target the enterprise and retail consumer markets with ease.

Geodesic designs, manufactures and markets mobile communication and Internet devices. These devices are pre-loaded with our communication and collaboration software to address last mile connectivity issues and remote data processing by Governments, Banking and Micro-finance companies.

Geodesic grossed revenues of ₹ 637 crore in 2010 as against ₹ 653 crore in 2009. Our earnings for fiscal 2010 was ₹ 224 crore as against ₹ 264 crore in fiscal 2009. The net increase in cash flow for fiscal 2010 was ₹ 21 crores.

Revenues declined across most segments primarily driven by weakness in purchasing technology products globally and the unfavorable economic environment. Primary factors contributing to the decline include the following:

- Revenue from unified communication, collaboration and CRM declined reflecting delayed purchases of technology and productivity software systems. A price reduction of 25% in license fee for existing and long served customers along with a decline in the uptake of licenses by system integrators.
- Revenue from our Mobile media and VAS division decreased across device manufacturers and retail consumers. The decline in revenue is primarily due to lower shipment of smart phones than the projected quantity and price reduction across all products for the retails consumers during the last 12 months.

The above declines were partially offset by increased revenue derived from the electronic computing division, reflecting Geodesic's ability to reorient its products and cover lost ground in terms of revenue and creating newer market segments.

Operating income decreased primarily reflecting decreased revenue. Operating expenses including research and development costs increased along with increased general, administrative and sales and marketing expenses aided by increased head-count related expenses, cost of revenue, and support costs.

Geodesic derived its revenues from the following segments during fiscal 2010:

ENTERPRISE OFFERING: Geodesic offers its unique enterprise solutions to and derives its revenues from Enterprise customers including Banking & Financial Services Institutions, Portals and Publishers, State and Central Government, Telecom Network Operators, Handset Manufacturers, Educational Institutions, Small/Medium & Large Enterprises. Our strong Business Development team ensures we reach out to enterprises across the globe using a combination of a direct sales team and system integrators / partners/ value added resellers.

RETAIL OFFERING: The Mundu stack of products are retailed across www.mundu.com, multiple application stores including Nokia's Ovi Store, Apple's App Store, Palm Store, Blackberry Stores etc. We launched Spokn- our Internet telephony product across www.spokn.com and application stores. Our products have had great editorial and user reviews besides winning GSM Asia, PC Magazine and C|net awards.

Geodesic's exhaustive list of products and services are mostly derived out of Continuum and address multiple market segments. Following products and services were sold/ licensed during fiscal 2010:

ENTERPRISE PRODUCTS & SERVICES:

Continuum: A comprehensive unified content management, communication, collaboration and CRM system that lets employees communicate and collaborate with customers, prospects, vendors and other employees.

Spyder: A stand-alone Customer Relationship Management system that aligns customer/ prospects by product, contacts and campaigns.

Web Services: Customization and integration services Geodesic undertook to ensure Continuum and Spyder integrate well with existing and other enterprise applications.

We acquired our enterprise customers using multiple strategies and channels. We deployed a strong direct sales team besides building a global business development team to ensure we have adequate partners and system integrators to reach out to different geographies. Our efforts paid and we have added a host of new countries to our list of geographies we address as markets.

Our pricing has remained consistent but the uncertain economic condition forced us to reduce our license fee by almost 25% during this year. Our move to reduce our license fees pro-actively during this economic crisis was appreciated by our long-standing customers. We have seen a lot more interaction with these customers on their new technology requirements and needs.

DIRECTORS' REPORT

RETAIL PRODUCTS AND SERVICES:

Mundu IM: An interoperable messenger that incorporates AIM, Facebook, GTalk, ICQ, MSN and Yahoo services into a single frame and is widely used on multiple mobile platforms.

Mundu SMS: An easy to use SMS application on the mobile phone and desktops using Internet as a communication medium. Traditional SMS costs a substantial amount of money per message, however Mundu SMS lets users send messages at 1/5th the cost.

Spokn: World's most comprehensive IP based telephony system. Spokn calls are amongst the world's cheapest calls with an assured quality of service. Spokn calls are available as local calls in as many as 40 countries. Spokn calls can be made over PSTN lines, desktops and obviously mobile phones.

Mundu Radio: A mobile application that streams audio from across 35000 different Internet radio stations. Consumers discover audio content in a unique way.

Mundu TV: Live television streaming on mobile phones across 2G/2.5G/3G/ Wi-Fi/ CDMA and desktops. Mundu TV streams over 20 channels and offers consumers a choice of news, business news, sports, entertainment and video on demand services.

We acquired retail consumers through several channels including a network of Application Stores, Portals and Publishers, Mobile Device Manufacturers, Telecom Network Operators and our own web sites. We license and white label our products and services where ever necessary.

Geodesic and its subsidiaries launched our IM and radio services across several telecom network operators, portals and handset vendors, providing us with an opportunity to address more than 350 million potential subscribers for our range of products and services.

Our pricing model includes subscription, per device or per user per year options. Spokn and Mundu SMS also include usage fees coupled with the subscription fee. We also offered Mundu IM OSE (Open Standards edition) for the iPhone as a free product but supported by advertisements during fiscal 2010. Our user acquisition costs have remained well below industry standards due to unique business models we implemented.

ELECTRONIC COMPUTING - ENTERPRISE PRODUCT OFFERING:

GeoAmida - A mobile hand held device based on Linux that includes a bio-metric sensor, smart card readers/ writer, printer, GPS, GPRS/Wi-Fi/Bluetooth, RFID/ Bar Code Scanner ports and a host of applications.

GeoAmida has been sold as a last mile data processing system, authentication and validation system and a last mile connectivity device for uses in E-governance projects across NREGA, PDS, Law Enforcement, Education, Micro Finance and Financial Inclusion.

We acquire customers largely through E-governance turnkey solution providers and system integrators. Geodesic plans to undertake State E-governance projects independently in the future. We are extremely

excited with the prospects GeoAmida has to offer.

Geodesic and its subsidiaries added over 45 new customers during the year and we hope to continue the trend in future periods.

The uncertain economic conditions opened up a huge opportunity to acquire people talent and Geodesic did not let this opportunity go past it. We acquired great young talent from top institutes in the country and acquired experienced people from a host of great companies to strengthen our senior and middle management besides supplementing our growth going forward. We added more than 75+ people during the course of the year.

Geodesic retained its culture of intrapreneurship and embraced it as one of our fundamental strengths. Our culture encourages ideation and collaboration to address complex technical challenges. In addition, we welcome individual thinking and creativity. Many of our people are bikers, photographers, avid trekkers, sportsmen of repute and above all equity holders of Geodesic.

Geodesic forged a major alliance with Zee Entertainment Enterprise Ltd to form a new company that goes by the name ITM Digital Private Limited to address the growing need of consumers to converge entertainment and information on multiple digital devices and on three screens (TV/desktop/Mobile) that consumers are used to.

Geodesic incorporated Geodesic GridPoint Energy Private Limited to address growing concerns of energy losses in the transmission and distribution systems.

Geodesic began as a technology company and we have evolved into a software, technology, mobile, media and hardware company all rolled into one. FY 2010 was a year of consolidation across Geodesic and we are confident of a great future ahead.

AWARDS & RECOGNITION

Geodesic bagged Deloitte Technology Fast 500 Asia Pacific 2009 award and Deloitte Technology Fast 50 India 2009 award besides being a Forbes 200 Best under a Billion-Asia Pacific companies – 2009.

GeoAmida won at the NASSCOM India Leadership Forum 2010 award.

Mundu IM won the Best Internet Mobile service award at GSM Hong Kong and also won the Handango Championship 2009 award for the best social application on Blackberry.

Mundu Radio was rated as one of the top 10 Nokia OVI store application in the entertainment section and was listed as one of the top six applications at the AT&T Dev Central Fast-Pitch 2009 Platinum Awards Contest during CTIA Wireless.

DIVIDEND

Your company as you are aware has been consistent in sharing its prosperity with its shareholders. Your management adheres to the dividend policy of your company as close as possible.

DIRECTORS' REPORT

As the profit and growth of the Company continued, your board declared an Interim Dividend of ₹ 0.75 per share of face value of ₹ 2/- on 29th January, 2010 which was duly paid on 24th February, 2010.

Your Board of Directors are further pleased to recommend for approval of shareholders the payment of a Final Dividend of ₹ 1.00 per share of face value of ₹ 2/- for the year 2009-10. Together with the Interim Dividend, the total dividend for the year shall be ₹ 1.75 per share of face value of ₹ 2/- (87.5%). Distribution Tax both on the Interim and Final Dividend is being borne by your Company.

The dividend has been recommended in accordance with your Company's policy of balancing dividend pay-out with the requirement of deployment of internal accruals for its growth plans. Your Company continues to stick to the policy of dividend payment in January and July every year.

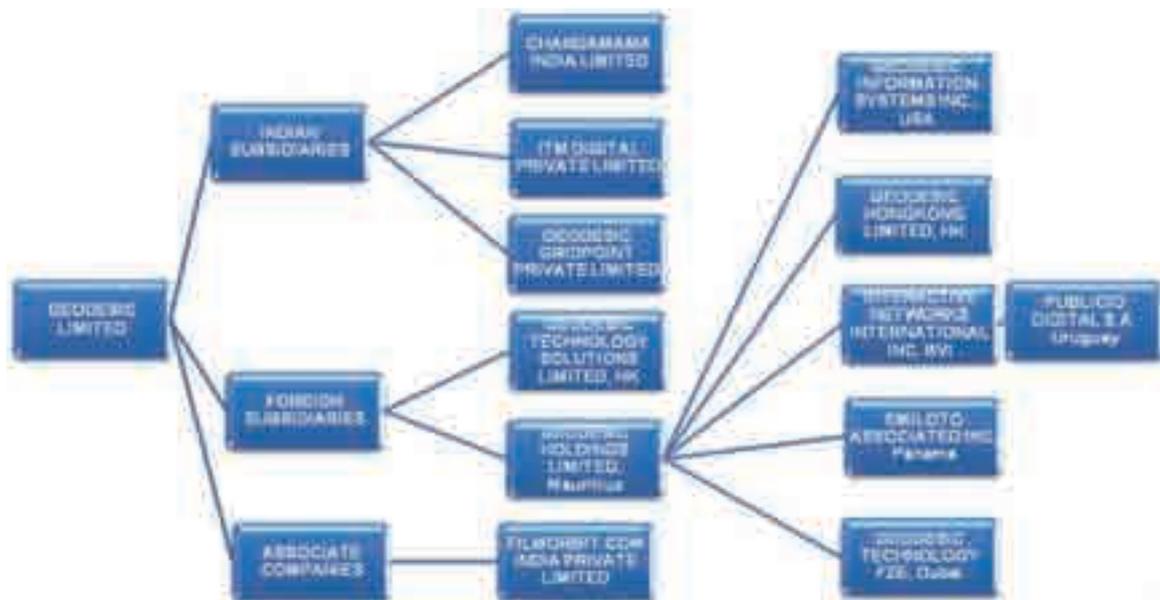
Transfer to General Reserve

Your Company proposes to transfer ₹ 1,748.90 Lakhs (10% of the net profit) to the General Reserve out of the amount available for appropriations and an amount of ₹ 53,005.44 Lakhs is proposed to be retained in the Profit and Loss Account.

SUBSIDIARIES

Your Company has continued its growth momentum over the decade and it along with its subsidiaries posts good performance. We acclaim ourselves to be a global corporation with 5 (Five) subsidiaries, 6 (Six) step down subsidiaries and 2 (Two) associate Companies, both in India and abroad, as on the year end.

The chart below shows the structure of subsidiary companies and their linkage to your company.



Indian Subsidiaries

Chandamama India Limited (Chandamama)

Chandamama has turned out to be a bright feather in our hat. Though the Company has reported losses of ₹ 288.39 Lakhs for the year, it could break even in the March 2010 quarter. This means setting aside the accumulated losses and past non-receivables, your Company is now able to meet its expenses out of its revenues. This certainly is great news for Chandamama and all those associated with Chandamama. Your management recognizes that it shall need to look into the accumulated losses and the financial turmoil that the Company went through in the past decade, however it would still need some financial support for another year or so, after which, we expect the Company to sustain operations all by itself.

Chandamama as we all know is a brand with the highest recall value. Your management continues to believe in the Brand and therefore continues in the brand investment exercise. During the year, Chandamama has launched the much-coveted Art Book aptly titled 'CHANDAMAMA ART BOOK'. The art book is a compilation of various paintings typifying Chandamama Art, which has overtime become an art form in itself. The

DIRECTORS' REPORT

Art Book is a carefully selected collection from our priceless treasure of masterpieces drawn by various world-class artists like Sankar, MTV Acharya, Chitra and Vaapa, who earned their fame as original watercolor artists since 1947. These renowned artists, whose works are presented in the book, have been associated with Chandamama in its journey that spans over 6 decades. The Book comprising of two volumes, collates over 175 paintings and have mostly been the cover pages of Chandamama. The paintings cover a variety of topics ranging from nature to human emotions and mythology. The interesting comparison of art styles used by these masters, their interpretation and expression on similar topics, makes this collection a must have for all art lovers. In addition to this wonderful book, Chandamama also came up with a new concept called the "Chandamama Annual" which shall be in addition to all publications of Chandamama and shall be a book published once every year. This book shall be a compilation of stories featured in Chandamama's earlier issues and shall also include various exciting activities to engage kids between the ages 4-14.

Your management is extremely happy with the results of strategic changes and new launches in the year gone by in Chandamama. The Registered Office of Chandamama was shifted from the State of Tamil Nadu to the State of Maharashtra as per the approval of the Shareholders received on 19th August, 2009 and subsequent approval of the Hon'ble Company Law Board, Southern Region, Chennai Bench vide its order dated 24th February, 2010. Further, the Board of Directors of Chandamama decided to shift its Registered Office to B-3, Lunic Industries, Cross Road B, MIDC, Andheri (East), Mumbai – 400 093 with effect from 25th February, 2010. This would enable better control and ease of operations. There have been changes in the Board of Directors, Management and the Editorial Team. Mr. Prashant Mulekar, our Executive Director has taken over as Executive Director in Chandamama India Limited. Mr. Prashant Mulekar now also acts as the Publisher and Editor for all Chandamama magazine editions.

Chandamama also changed its Registrar & Share Transfer Agents from GNSA Infotech Services Private Limited, Chennai to Mondkar Computers Private Limited, Mumbai for ease of operations.

Chandamama made a preferential issue of 20,00,000 (Twenty Lakh) Equity Shares to your Company on 22nd September, 2009. As on the date of this Report, your Company holds 96.91% shareholding in Chandamama.

Chandamama, made a final call on 11th January, 2010 of the balance ₹ 5/- per share on 35,30,325 partly paid up equity shares allotted in terms of the Right issue offer document dated 24th November, 2008. The final call notices for the same were sent on 12th January, 2010. On receipt of the said final call money from all the shareholders, the status of the said equity shares was changed to the fully paid up equity shares of ₹ 10/- per share.

Newly Incorporated Indian Companies

During the year under review, two new Indian subsidiaries were incorporated by your Company in the name of ITM Digital Private Limited and Geodesic Gridpoint Energy Private Limited on 7th January, 2010 and 13th January, 2010 respectively.

Your Company has established a strategic alliance with ZEEL (Zee Entertainment Enterprises Limited), to launch real time and on-delivery entertainment applications for the mobile and Internet Enabled devices. ZEEL and your Company has formed a new company called **ITM Digital Private Limited** to address the hugely growing market for content convergence and mobile value added services.

Geodesic Gridpoint Energy Private Limited intends to develop products meant to reduce energy losses and/ or handle projects which would help in reducing energy usage and also product could be used for transmission of energy and information in an efficient manner.

Both the aforesaid newly incorporated subsidiaries wish to start their operations very soon.

Foreign Subsidiaries

As you are aware, your Company has a subsidiary called Geodesic Holdings Limited (GHL), Mauritius that primarily acts as the Holding Company for all subsidiaries of the Company outside of India. This is to streamline the processing and operations of outside subsidiaries. We are pleased to report that we have successfully transferred all our investments outside of India under the umbrella of GHL and now all our subsidiaries including - Geodesic Information Systems Inc (GISI), USA, Geodesic Hong Kong Limited (GHKL), Hong Kong, Interactive Networks International Inc. (INI), BVI, Publicidad Digital S.A (PD), Uruguay, Emiloto Associated Inc., Panama Islands are the foreign step down subsidiaries of your Company through GHL.

Geodesic Technology Solutions Limited (GTSL), Hong Kong is the only company outside of India, other than GHL, which remains as the direct wholly owned subsidiary of Geodesic Limited as on date of this report. The process to transfer the stake in this company into GHL is on and we shall be able to complete the process in fiscal 2010-2011.

During the financial year 2009-2010, your Company has incorporated a step down subsidiary – Geodesic Technology FZE (GTF), Dubai through GHL to cater to the Middle East market.

Associate Companies

Filmorbit.Com India Private Limited

During the year, Filmorbit issued 50,000 (Fifty Thousand) equity shares on preferential basis to two of its Directors Mr. Krishnan Rajagopalan, Mrs. Kalyani Rajagopalan and his family. Consequently, the paid up share capital of Filmorbit was increased from ₹ 5,00,000 to ₹ 10,00,000 and as a result of which your Company's shareholding in Filmorbit came down to 49.99% and Filmorbit ceased to be subsidiary of your company.

The authorised share capital of Filmorbit was increased from ₹ 5,00,000 to ₹ 20,00,000 on 3rd November, 2009 as approved by its Shareholders.

Filmorbit has the largest metadata set about Indian Films and TV which is augmented by licensed data and content such as EPG, Theatre Listings, Music & Video and packaged to provide compelling experiences across multiple platforms while enabling numerous revenue opportunities for your Company & associated partners. FilmOrbit redefines how the consumers discover content, people and talent in the Indian entertainment space. Consumers will finally enjoy access to a range of websites, social apps, mobile apps, widgets and services that bring fun and relevant experiences to the screen of their choice.

DIRECTORS' REPORT

SECTION 212

The Ministry of Corporate Affairs, Government of India, vide order No. 47/599/2010-CL-III dated 23rd June, 2010 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. 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.

COMPANY FINANCE

Equity Share Capital

The paid up equity share capital of your Company has been increased from ₹ 1844.30 Lakhs divided into 92,214,974 equity shares of ₹ 2/- each to ₹ 1844.88 Lakhs divided into 92,243,799 shares of ₹ 2/- each (as on 31st March, 2010) consequent to:

Date of Allotment	Number of Equity Share	Allotted under
As on 1st April, 2009	92,214,974	
9th October, 2009	28,825	ESOP Conversion
As on 31st March, 2010	92,243,799	

Buyback Of Equity Shares

Your Company is in the process of purchasing back its fully paid equity shares of the face value of ₹ 2/- each, as per the provisions of Sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956 read with SEBI (Buyback of Securities) Regulations, 1998. Your Company proposes to buyback upto 10% of the equity capital and reserves of the company i.e. an aggregate amount not exceeding ₹ 30.70 Crores at the maximum price of ₹ 150/- per share. The Board of Directors of your Company had discussed and consented for the same on 7th May, 2010.

Upto the date of this report your company has bought back 8,80,000 equity shares out of which 8,65,000 equity shares are extinguished. Your Company's paid up capital as on date of this report stands at 91,378,799 equity shares aggregating to ₹ 182,757,598/-.

FCCB Issue

Your Company had issued US\$125 million 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"). Your company has repurchased US\$ 11.5 Million face value of FCCB, 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.

Employee Stock Options

Your Directors believes that stock option is an exceptional instrument which enables your Company to share its growth with the employees of the Company and also helps them to identify their goals with that of the Company, thereby creating loyalty and a sense of long term commitment in them towards your Company.

Geodesic Employees Stock Options Plan 2002

During the year, your Company has granted 5,00,000 options to the eligible employees of the Company and its subsidiaries under Geodesic ESOP plan 2002. As on 31st March, 2010, out of the total options granted and vested, employees have exercised 28,825 options that are converted into even number of equity shares of ₹ 2/- each. A total of 36,32,715 options are outstanding to be exercised under the ESOP plan as on 31st March, 2010.

Neither any employee has been granted Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your 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.

DIRECTORS' REPORT

Disclosure required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 as to the status of options as on 31st March, 2010:

a) As on 1st April 2009, options granted and not exercised (in force)	33,28,130 options
b) Options granted during the year:	5,00,000 options convertible into equity shares of ₹ 2/- each granted on April 29, 2009
c) Pricing formula:	Market price as per SEBI guideline as on date of grant
d) Options vested:	7,00,000 options
e) Options exercised	28,825 options convertible into equity shares of ₹ 2/- each
f) Total number of shares arising as a result of exercise of options	28,825 converted into equity shares of even number of ₹ 2/- each.
g) Options lapsed	1,66,590 options
h) Variations of terms of options	NIL
i) Money realized by exercise of options:	₹ 24.62 Lakhs
j) Total number of options in force:	36,32,715 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 is	18.86

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

Year End	Range of Exercise Price (₹)	No. of Options Outstanding	Weighted average remaining contractual life (in months)	Weighted average exercise price (₹)
31st Mar 2010	₹ 79.82 – ₹ 210.05	36,32,715	91.80	140.97
31st Mar 2009	₹ 79.82 – ₹ 147.50	33,28,130	39.05	150.27

LISTING OF EQUITY

Your Company's equity scrip is listed on the NSE (National Stock Exchange of India Limited) and BSE (The Bombay Stock Exchange Limited, Mumbai). Further the new allotment of equity shares (₹ 2/- each) on account of conversion of employees stock options (ESOPs) were duly listed with BSE as well as NSE. The entire paid up equity capital is listed on both the exchanges as on date.

Your scrip forms a part of BSE 500 and BSE MIDCAP indices on BSE.

DIRECTORS' REPORT

FIXED DEPOSITS

Your Company has not accepted any fixed deposit from the public during the year under review.

DIRECTORS

During the period, Dr. Shashikant Kelkar, Non-Executive & Independent Director had resigned from the directorship of the Company with effect from 28th August, 2009 due to personal and health reasons. The Board places on record its gratitude for the valuable services rendered and guidance provided by Dr. Shashikant Kelkar during his tenure with the Company.

Mr. G. Krishnan was appointed as Additional Director in the category of Non-Executive and Independent Director by the Board at its meeting held on 29th January, 2010. In terms of Section 260 of the Companies Act, 1956, he shall hold the office only upto the date of the ensuing Annual General Meeting of the Company. The Company has received requisite notices under section 257 of the Companies Act, 1956 in writing from members along with the requisite deposit proposing his candidature for the office of Director of the Company. A resolution seeking approval of the Members for the confirmation of Mr. G. Krishnan's appointment as a Director of the Company has been incorporated in the Notice of the ensuing Annual General Meeting along with the brief his details. The Directors welcome the new member on the Board and wishes him a successful and fruitful tenure with the Company.

Your company as on date has 6 (six) Directors comprising of 3 (three) Non-Executive Directors, this makes an optimum combination of Executive and Non-Executive Directors in compliance with the norms of corporate governance as per provisions of the listing agreement with stock exchanges.

At the ensuing Annual General Meeting, Mr. Vinod Sethi and Mr. Nitin Potdar, Independent Directors will retire by rotation and being eligible offer themselves for reappointment in terms of provisions of Articles of Association of the Company. Resolutions for their re-appointment will be placed for your approval at the ensuing Annual General Meeting. The brief resume/details relating to the Directors who are to be appointed/re-appointed are furnished in the explanatory statement as an annexure to the Notice of the ensuing Annual General Meeting.

HUMAN RESOURCE

At Geodesic, employees are the key driving force of the organization. We have set up a scalable recruitment and resource management process which enables us to attract and retain high caliber employees.

We have been able to attract some of the best minds in the country by recruiting from top engineering colleges, like various IITs and VJTI. We have also been able to attract talent from the industry from top B-schools like IIM with rich experience in their domain areas. Our employee strength worldwide is more than 625, with people at various levels joining regularly.

We strongly believe that highly trained and motivated people are not only critical to success, but are also a key driving force to the organization. To achieve this, we focus on attracting and retaining the best possible people. We nurture talent, motivate indigenous innovation, promote leadership development, implement corporate-wide recruiting, training, performance evaluation and compensation programs that are tailored to address the needs of each of our business segments. Our Human Resource department is centralized at our corporate headquarters in Mumbai.

Our performance management system is primarily based on values and competencies. At the apex level, we closely monitor the growth and development of the top talent in the organization so that their personal ambitions and the organization's aspirations are closely matched.

Geodesic Culture

The work culture at Geodesic involves challenges, healthy competition, constructive rule-breaking, and above all, fun. Each employee becomes a part of the Geodesic family, which extends beyond the boundaries of work. High retention has been achieved by continuously upgrading the competencies of the employees while our focused initiatives at creating a work life balance also serves as a powerful tool to increase retention in addition to other factors such as best pay packages and entrepreneurial work styles. Despite the entire economy reeling under high attrition rates, we take great pride in saying that the attrition rate at Geodesic is very low.

Geodesic's emphasis on innovation and commitment to cost containment means each employee is a hands-on contributor. There's little in the way of corporate hierarchy and everyone wears several hats. At Geodesic, we believe in transparency, flexibility, interaction, integration of thoughts, ideas, culture, values and results across the organization irrespective of the hierarchy. Though growing rapidly, Geodesic still maintains a small company feel. Almost everyone eats at the Geodesic café, sitting at the table enjoying conversations with colleagues and friends from various departments.

DIRECTORS' REPORT

Knowledge Management

Knowledge Management (KM) at Geodesic allows Geodesic Minds to tie together the collective experiences and knowledge towards better product delivery, individual and organizational excellence.

Our culture resonates with our goals to create an open and transparent organization in which knowledge is created and shared in a supportive environment where creativity and innovation are highly valued. Geodesic Minds are encouraged to bring forward any idea for improvement or innovation.

PARTICULARS OF EMPLOYEES

The particulars of employees of your Company who are in receipt of remuneration, in excess of the limit under sub-section (2A) of Section 217 of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975, for the year ended 31st March, 2010 is annexed hereto with the Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Company believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the Executive Management is not only not misused, but is used with care and responsibility to meet stakeholder aspirations and societal expectations.

Your Company further believes that the trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship are the cornerstones of Corporate Governance and the practice of each of these leads to the creation of the right corporate culture in which the Company is managed in a manner that fulfils the purpose of Corporate Governance.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

DEMATERIALIZATION OF SHARES

As you are aware your Company has connectivity with both the depositories functioning in India, NSDL and CDSL. The ISIN of the scrip is INE371D01029. As on 31st March, 2010, 99.75% of the total equity capital of the Company was held in dematerialized 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, energy costs constitute a small portion of the total cost and such operations are not energy intensive. There is not much scope for energy conservation. However, we ensure to undertake all possible measures so as to reduce energy consumption in the company premises by using energy efficient computers and other equipments. Proper maintenance of these equipments is ensured so as to prolong the efficiency of these machines. Form A is not applicable for software industry.

b) Technology Absorption: Not Applicable

c) Foreign Exchange Earnings And Outgo

Your Company has started operations in SEEPZ, Andheri (East), Mumbai from end of September, 2008 which is a SEZ (Special Economic Zone), which entitles your Company to enjoy 100% tax holiday for exports under Section 10A of the Income Tax Act, 1961 until March 2019. The export performance of your Company scaled well. The information on Foreign Exchange earnings and outgo is contained in schedule 22 to Accounts.

DIRECTORS' REPORT

AUDITORS

The Auditors M/s Borkar & Muzumdar, Chartered Accountants (Regn No. 101569w) retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility for their re-appointment. Your Board recommends their reappointment as Statutory Auditors 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. There are no qualification in the Audit Report and Notes are self-explanatory.

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 are no material departures;
- they have, in selection of 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 your company at the end of the financial year ended 31st March, 2010 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

Your Directors wish to thank all shareholders and business partners, your Company's bankers, financial institutions, regulatory bodies and other business constituents for their continued support and valuable co-operation.

Your Directors 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.

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

Place : Mumbai
Dated : 27th August, 2010

For and on behalf of the Board of Directors

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	Interactive Networks International Inc	Publicidad Digital S.A.	Geodesic Technology FZE	Geodesic Information Systems Inc	Emiloto Associated Inc
Holding Company's Interest	50000000 shares of HK\$ 1 each, fully paid up	27210 shares of HK\$ 1 each, fully paid up	95265100 shares of US\$ 1 each, fully paid up	12522575 shares of ₹ 10 each, fully paid up	25000 Class A Preferred shares of no par value 50000 Class B Preferred shares of no par value 6250 Class C Preferred shares of no par value	300000 shares of US\$ 1 each fully paid up	25 Shares of AED 1000 each, fully paid up	100000 shares of US\$ 22.47 each, fully paid up	100 shares of \$100 each,
Extent of Holding	100%	100%	100%	96.92%	100%	100%	100%	100%	100%
Date from which they became subsidiary company	21st November, 2006	20th December, 2005	8th April, 2008	7th May, 2007	29th January, 2009	29th January, 2009	16th November, 2009	18th August, 2002	12th November, 2008
The 'financial year' of the subsidiary company ended on	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st December, 2009	31st December, 2009	31st March, 2010	31st March, 2010	31st March, 2010
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
i) For the subsidiary's aforesaid financial year	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	HK\$112,362,349.00	(HK\$657,368.00)	(US\$ 120,723.00)	(₹ 28,838,672.00)	(US\$ 445,231.29)	(US\$ 38,467.25)	Nil	US\$ 160,905	US\$ 280,759.80
i) For the subsidiary's aforesaid financial year	₹ 648,330,753.73	(₹ 3,793,013.36)	(₹ 5,449,436.22)	(₹ 1,736,411.67)	(₹ 20,097,740.43)	(₹ 1,736,411.67)	₹ 7,263,251.70	₹ 12,673,497.37	
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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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

MUMBAI

Date : 27th August, 2010

For and on behalf of the Board of Directors

Kiran Kulkarni
Managing DirectorPankaj Kumar
ChairmanSwati Gupta
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Subsidiary	Exchange rate as at 31st March 2010	Issued & Subscribed Share Capital	Reserves	Loans	Total Assets	Investments		Turnover	Provision for tax	Profit/(Loss) after tax	Proposed Dividend
						Long Term	Short Term				
Geodesic Technology Solutions Limited	1 HK\$ = ₹ 5.77	2,885.00	20,535.58	9,260.85	73,288.19	-	-	52,910.53	-	6,483.31	-
Geodesic (Hong Kong) Limited	1 HK\$ = ₹ 5.77	1.57	(404.30)	428.59	437.77	-	-	193.54	-	(37.93)	-
Geodesic Holdings Limited	1 US\$ = ₹ 45.14	43,002.67	(3.82)	4,893.25	47,892.09	12,073.38	-	3.27	-	(54.49)	-
Chandamama India Limited		1,292.10	(790.09)	35.73	1,753.06	-	-	333.47	-	(288.39)	-
Interactive Networks International Inc*	1 US\$ = ₹ 45.14	699.67	(645.44)	-	1,642.66	-	-	93.26	-	(200.98)	-
Publicidad Digital S.A. **	1 UP\$ = ₹ 2.217	128.08	116.42	-	276.03	-	-	338.86	-	(17.79)	-
Geodesic Technology FZE*	1 AED = ₹ 12.22	44.88	-	-	44.88	-	-	-	-	-	-
Geodesic Information Systems Inc. *	1 US\$ = ₹ 45.14	1,014.66	(792.57)	13.30	261.49	-	-	438.35	-	72.63	-
Emiloto Associated Inc. *	1 US\$ = ₹ 45.14	4.51	1.87	42,494.80	42,501.61	29,179.65	-	56.50	-	126.73	-

₹ in lakhs

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 or to the shareholders of our subsidiaries. The annual accounts of the Company as well as its subsidiaries will also be available for inspection during business hours at our registered office in Mumbai, India as well as of the subsidiary companies concerned.

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

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

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

This report on Corporate Governance is divided into the following parts:

- 1) Geodesic Philosophy
- 2) Board of Directors
- 3) Board Committees
- 4) Compliance Officer
- 5) Subsidiary Companies
- 6) General Meetings
- 7) Disclosures
- 8) Means of Communication
- 9) General Shareholder Information
- 10) Investor Awareness

1. GEODESIC PHILOSOPHY

At Geodesic, good Corporate Governance practice lies at the foundation of its business ethos. Your Company does not view Corporate Governance principles as a set of binding obligations, but believes in using it as a framework to be followed in spirit. This is reflected in the Company's philosophy on Corporate Governance.

The Company believes that the management is the trustee of all investors' capital and is obligated to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, investors, customers, business partners / vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings that avoids all conflicts of interest. In order to conduct business with these principles, Geodesic creates simple Corporate Structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems.

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards.

2. BOARD OF DIRECTORS

The Board of Directors (the Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of your Company and has been vested with the requisite powers, authorities and duties. The Management Committee of the Company is headed by the Chairman, Managing Director and Chief Executive Officer and has business/functional heads as its members, which looks after management of the day-to-day affairs of the Company.

• Appointment of the Directors on the Board

The Board is responsible for selecting and appointing members to fill Board vacancies and nominating candidates for election by the Shareholders at the Annual General Meeting. While appointing, the Board considers the mix of education, skills, experience, character, commitment, and background, and most importantly the contribution that one makes towards enhancing the Business of the Company, all in the context of the requirements of the Board.

The Directors of your Company are appointed by the Shareholders at their General Meetings. All Directors, except for the Managing Director, step down in rotation at the Annual General Meeting each year end, if eligible, offer themselves for re-election, in accordance with the Articles of Association of the Company. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

• Composition of Board

The Board of Directors of your Company comprises of 3 (three) Executive and 3 (three) Non – Executive & Independent Directors. Since the Chairman is an Executive Director, the required strength of the Independent Directors is mandated at half of the size. Your Board is in compliance with the said requirement and also represents an optimal mix of professionalism, knowledge and experience. Your Board comprises of individuals drawn from management, technical, legal and administrative fields having leadership qualities and strategic insights.

CORPORATE GOVERNANCE REPORT

The Constitution of the Board, their attendance during the year at the Board Meetings and at the last Annual General Meeting and also the number of their Directorships and Committee Memberships held in other companies as on 31st March, 2010 are as follows :

Name and Designation	Category	Attendance during the year at		No. of Directorships in other Public Companies #	No. of committee positions held in other Public Companies ##	
		Board Meetings	Last AGM		Chairman	Member
Mr. Pankaj Kumar Chairman	Promoter and Executive Director	10	Yes	-	-	-
Mr. Kiran Kulkarni Managing Director	Promoter and Executive Director	11	Yes	1	-	1
Mr. Prashant Mulekar Executive Director	Promoter and Executive Director	13	Yes	1	1	-
Dr. Shashikant Kelkar*	Non-Executive and Independent Director	5	NA	-	-	-
Mr. Vinod Sethi Director	Non-Executive and Independent Director	10	Yes	9	-	6
Mr. Nitin Potdar Director	Non-Executive and Independent Director	9	No	3	-	4
Mr. G. Krishnan** Director	Non-Executive and Independent Director	1	NA	-	-	-

* Ceased to be a Director w.e.f. 28th August, 2009.

** Appointed as Additional Director w.e.f. 29th January, 2010.

The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies, Private Limited Companies, Unlimited Companies, or which prohibit the payment of dividend, statutory entities, and alternate directorships as provided under Section 278 of the Companies Act, 1956.

In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanship of only the Audit Committee and Shareholders/ Investors Grievance Committee of all Public Limited Companies have been considered.

• Disclosure Regarding Appointment and Re-Appointment of Directors

Information required under Clause 49 IV (E) (v) and G (i) of the Listing Agreement with respect to the Appointment of the Directors and the Directors retiring by rotation and being eligible and seeking re-appointment in the Annual General Meeting forms a part of Annexure to the Notice convening the Annual General Meeting.

• Board Meetings

Minimum 4(four) Board Meetings are held each year. The Board Meetings of your Company are pre – scheduled and adequate Notice is given to the Members of the Board. Apart from minimum four Meetings, additional Board Meetings are convened by the Company by giving appropriate Notice to the Board Members to address specific needs of your Company. The Board Meetings are generally held at the Registered Office of the Company situated at B-3, Lunic Industries, Opp. State Bank of India, Cross Road 'B', MIDC, Andheri (E), Mumbai – 400093.

The Board has constituted Committees to deal with specialized issues viz Audit Committee, Compliance Committee, Compensation Committee, Remuneration Committee, Investor Grievance Committee and Sexual Harassment Prevention Committee.

During the Financial year 2009-10, the Board of your Company held 13 meetings of the Board. Necessary information to be given in terms of Annexure IA to Clause 49 of the Listing Agreement were placed before the Board for consideration and all matters with explanatory notes, Reports relating to respective Committees were circulated to Committee Members at their Meetings.

CORPORATE GOVERNANCE REPORT

The Directors including the Non-Executive & Independent Directors, actively participate at length in the deliberations of the Board. The dates on which the Board Meetings were held are as follows:

Financial Quarters 2009-2010	Dates of the Board Meetings
1 st Quarter ended 30 th June, 2009	<ul style="list-style-type: none"> • 20th April, 2009 • 29th April, 2009 • 5th May, 2009 • 16th June, 2009
2 nd Quarter ended 30 th September, 2009	<ul style="list-style-type: none"> • 31st July, 2009 • 28th August, 2009 • 29th September, 2009
3 rd Quarter ended 31 st December, 2009	<ul style="list-style-type: none"> • 9th October, 2009 • 30th October, 2009 • 24th November, 2009 • 10th December, 2009
4 th Quarter ended 31 st March, 2010	<ul style="list-style-type: none"> • 29th January, 2010 • 19th February, 2010

• Non-Executive Directors' Compensation and Disclosures

The Company does not pay any remuneration to Non- Executive Directors except sitting fees and reimbursement of travelling and out of pocket expenses for attending the Board/Committee Meetings.

The shareholding of the Non-Executive & Independent Directors of the Company as on 31st March, 2010 is given below:-

Name of Director	Nature of Directorship	No. of Equity Shares	Percentage to the paid-up capital (Equity)
Dr. Shashikant Kelkar (Ceased to be a Director w.e.f. 28 th August, 2009)	Independent	-	-
Mr. Vinod Sethi	Independent	163,814	0.18%
Mr. Nitin Potdar	Independent	-	-
Mr. G. Krishnan (Appointed as Director w.e.f. 29 th January, 2010)	Independent	-	-

As stated above, none of the Independent Directors of your Company hold 2% or more of the block of voting rights as on 31st March, 2010.

CORPORATE GOVERNANCE REPORT

3. BOARD COMMITTEES

The Board Committees play a crucial role in the Governance Structure of your Company and are being set out to deal with specific areas/activities which concern your Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by the Board Members as a part of good Governance Practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the Meetings of all the Committees are placed before the Board for review. The Board has currently established the following statutory and non statutory Committees.



CORPORATE GOVERNANCE REPORT

AUDIT			REMUNERATION			INVESTOR GRIEVANCE		
COMPOSITION OF COMMITTEE AND ATTENDANCE			COMPOSITION OF COMMITTEE AND ATTENDANCE			COMPOSITION OF COMMITTEE AND ATTENDANCE		
Directors	Status	No. of Meetings Attended (Total Meetings)	Directors	Status	No. of Meetings Attended (Total Meetings)	Directors	Status	No. of Meetings Attended (Total Meetings)
Vinod Sethi	Chairman	5(5)	Nitin Potdar	Chairman	1(1)	Shashikant Kelkar*	Chairman	3(3)
Prashant Mulekar	Member	2(2)	Vinod Sethi	Member	1(1)	G. Krishnan	Chairman	1(1)
Nitin Potdar	Member	5(5)	G. Krishnan	Member	-	Prashant Mulekar	Member	8(8)
Shashikant Kelkar*	Member	3(3)	Shashikant Kelkar*	Member	1(1)	Vinod Sethi*	Member	4(4)
DATES OF COMMITTEE MEETINGS			DATES OF COMMITTEE MEETINGS			DATES OF COMMITTEE MEETINGS		
<ul style="list-style-type: none"> • 29th April, 2009 • 31st July, 2009 • 28th August, 2009 • 30th October, 2009 • 29th January, 2009 			<ul style="list-style-type: none"> • 28th August 2009 			<ul style="list-style-type: none"> • 28th April, 2009 • 9th June, 2009 • 20th August, 2009 • 4th September, 2009 • 29th October, 2009 • 19th November, 2009 • 17th December, 2009 • 8th March, 2010 		
BROAD TERMS OF REFERENCE			BROAD TERMS OF REFERENCE			BROAD TERMS OF REFERENCE		
<ul style="list-style-type: none"> • As set out in Clause 49(v) of the Listing Agreements with the Stock Exchanges. • Also read with Section 292A of the Companies Act, 1956. • Reviews the Management Discussion and Analyses of financial matters. 			<ul style="list-style-type: none"> • Reviews / Recommends Remuneration Package, salaries, commission, other Benefits & employment conditions of the Executive Directors. • Complies with provisions of Companies Act, 1956 read with Schedule XIII & Non-Mandatory requirements of Listing Agreement. 			<ul style="list-style-type: none"> • Reviews/Redress Shareholders' and Investors' complaints. • Complaints relates transfer of Shares, Non-receipt of Balance Sheet/Dividends, etc. • Oversees the performance of Registrars & Share Transfer Agents of the Company. • Recommends measures for improvement in the quality of Investor Services. 		
REMARKS			REMARKS			REMARKS		
<ul style="list-style-type: none"> • The Meetings were also attended by Mr. Prashant Mulekar, CFO of the Company. 			<ul style="list-style-type: none"> • There was no revision in the remuneration Package, other benefits or service terms & employment conditions of the Executive Directors. • No Stock Options were granted to any of the Executive Directors. 			<ul style="list-style-type: none"> • No. of Complaints received : 34 • No. of Complaints resolved : 34 • No. of Complaints unresolved : Nil 		

NOTES:

1. During the year, Mr. Shashikant Kelkar resigned from the Directorship of the Company w.e.f. 28th August, 2009.
2. Mr. G. Krishnan was appointed as an Additional Director w.e.f. 29th January, 2010.
3. Due to such changes in the Directorship of the Company, the respective Committees were reconstituted on 29th January, 2010.
4. The Company Secretary acts as a Secretary to all the Committees.

CORPORATE GOVERNANCE REPORT

COMPLIANCE			COMPENSATION			SEXUAL HARASSMENT PREVENTION		
COMPOSITION OF COMMITTEE			COMPOSITION OF COMMITTEE			COMPOSITION OF COMMITTEE		
Directors	Status	No. of Meetings Attended (Total Meetings)	Directors	Status	No. of Meetings Attended (Total Meetings)	Directors	Status	No. of Meetings Attended (Total Meetings)
Vinod Sethi	Chairman	2(2)	Vinod Sethi	Chairman	1(2)	Radhika Pereira	Chairperson	-
Nitin Potdar	Member	2(2)	Shashikant Kelkar*	Member	1(1)	Vinod Sethi	Member	-
Shashikant Kelkar*	Member	1(2)	Kiran Kulkarni	Member	2(2)	Karan Gandhi	Member	-
			Nitin Potdar	Member	1(2)			
			Pankaj Kumar*	Member	2(2)			
DATES OF COMMITTEE MEETINGS			DATES OF COMMITTEE MEETINGS			DATES OF COMMITTEE MEETINGS		
<ul style="list-style-type: none"> • 29th April, 2009 • 16th June, 2009 			<ul style="list-style-type: none"> • 28th August, 2009 • 9th October, 2009 			-		
BROAD TERMS OF REFERENCE			BROAD TERMS OF REFERENCE			BROAD TERMS OF REFERENCE		
<ul style="list-style-type: none"> • Monitors & Decides on non-compliances of Company's Prevention of Insider Trading Code, Business Ethics & Conduct of Code. • Monitors & Regulates the Statutory Compliances under various laws. 			<ul style="list-style-type: none"> • Formulates, administers and regulates Employee's Stock Option Plan and resolve matters relating to it. • Recommends grant of options & allotment of shares to the employee who exercise Vested options. 			<ul style="list-style-type: none"> • Precautionary measure for prevention of incident relating to sexual harassment. • Deals promptly with reports of sexual harassment in a Confidential & discreet manner. 		
REMARKS			REMARKS			REMARKS		
<ul style="list-style-type: none"> • There were no cases of non-compliance with the code requiring attention of the Committee during the year under review. 			<ul style="list-style-type: none"> • Under the existing ESOP Plan 2002, 28,825 options of ₹ 2 each were granted to the employees as recommended in the Meeting held on 9th October, 2009. 			<ul style="list-style-type: none"> • No cases were reported under purview of the policy. 		

CORPORATE GOVERNANCE REPORT

4. COMPLIANCE OFFICER

CS Swati Gupta, Company Secretary of the Company acts as defacto Compliance Officer of the Company. She can be contacted at:

CS Swati Gupta

Company Secretary and Vice President

Geodesic Limited | www.geodesic.com

Ph: +91-22-28311849 / 2872

Direct: +91-22-40786031

Fax: +91-22-28200832

Email: swati@geodesic.com

5. SUBSIDIARY COMPANIES

During the fiscal 2009-10, your Company incorporated two new subsidiaries Geodesic Gridpoint Energy Private Limited and ITM Digital Private Limited. Your Company does not have any material non-listed Indian Subsidiary Company and hence, it is not required to have an Independent Director of your Company on the Board of such Subsidiary Company. To oversee the functioning, more particularly financial management, the Board of Directors had appointed 2 (two) Executive Directors of your Company on the Board of Chandamama India Limited, a Subsidiary of your Company. Mr. Prashant Mulekar is appointed as the Chairman and Executive Director and Mr. Kiran Kulkarni as a Director on Board of the said Subsidiary. Additionally, Mr. Salim Govani was appointed as Director on Board of Chandamama India Limited. Mr. Salim is an exponent from Film Industry and an expert in finance. His appointment is a great boon to Chandamama India Limited.

The Minutes of Indian Subsidiaries are placed before the Board of Directors of your Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the Subsidiary Companies.

CORPORATE GOVERNANCE REPORT

6. GENERAL MEETINGS

Location and time of Annual General Meetings (AGM) held during past three years:

Financial Year	Date	Time	Venue	No. of Special Resolutions set out at the AGMs
2008-2009	29 th September, 2009	11.00 A.M.	Tunga International, Banquet 1, 6 th floor, B/11 MIDC Central Road, Andheri (East), Mumbai – 400 093	1
2007-2008	14 th August, 2008	11.00 A.M.	AIPMA House, A-52, Road No.1, M.I.D.C., Marol, Andheri (E), Mumbai – 400 093	1
2006-2007	23 rd July, 2007	11.00 A.M.	AIPMA House A-52, Road No. 1, MIDC, Andheri (E), Mumbai – 400 093	3

All Special Resolutions set out in the Notices for the last three AGMs were passed by the shareholders at the respective Meetings with requisite majority of members attending the Meeting.

7. DISCLOSURES

(a) Related Party Transactions

Related Party Transactions are defined as transactions of the Company of material nature with Promoters, Directors or the Management, their Relatives, Subsidiaries, etc. that may have potential conflict with the interest of the Company at large. Details of the material and significant Related Party Transactions as per requirements of Accounting Standard 18 are given in the Notes to Accounts annexed to the Financial Statement.

The Directors at the Board Meeting make proper and complete disclosures if any transaction is entered into with the related parties. Necessary approvals as required are taken before entering into any such arrangements.

There were no materially significant Related Party Transactions, pecuniary transactions or relationships between your Company and its Directors for the period ended 31st March, 2010.

Declaration under Clause 49(I)(D) of the Listing Agreement

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby affirm that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Geodesic Code of Business Conduct and Ethics, as applicable to them, for the financial year ended 31st March, 2010.

Geodesic Limited

**Pankaj Kumar
Chairman**

Date: 12th April, 2010

Place: Mumbai

(b) Risk Management

The Company is impacted by changes in the business environment from time to time that necessitate continuous evaluation and management of significant risk faced by the Company. The Company seeks to minimize risk that may affect the achievement of our business objectives and enhance stakeholder value. Geodesic has developed a well – defined risk management framework to track and evaluate all business risk and process gaps. The Top Management of

the Company takes periodic review of the business processes and risk analysis report by the respective business heads.

(c) Legal Compliances

The Company has complied with the requirements of the Stock Exchanges / SEBI / any other Statutory Authority on all matters related to Capital Markets during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities relating to the above.

(d) Secretarial Audit

A qualified Practicing Company Secretary carries out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(e) CEO / CFO 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.

(f) Code of Business Conduct and Ethics

The Board has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The Code is comprehensive in nature and applicable to all Directors - Executive as well as Non - Executive and to Senior Management of the Company.

A Copy of the said Code is available on the Company's website, www.geodesic.com. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them as required under Clause 49 of the Listing Agreement.

CORPORATE GOVERNANCE REPORT

(g) Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2002

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2002, the Company has formulated Code for Prohibition of Insider Trading for the Employees and Directors for dealing in shares of the Company. The Code was implemented with effect from 29th April, 2002. Various forms have been designed to receive periodical information from the Employees and the Directors of the Company, as required in terms of these Regulations. The Trading Window is closed during the time when the information viz. declaration of Financial Results (quarterly, half-yearly and annual), Declaration of Dividends (interim and final), issue of securities by way of public / rights / bonus etc, any major expansion plans or execution of new projects is unpublished. The insiders are not allowed to trade in the securities of the Company from the date when such event falls due till the actual happening of such event. The Company has monitoring and tracking mechanism wherein any dealings in Geodesic Securities by these insiders are tracked and if non-compliance of Code is noted, appropriate action as per the Code and as per the direction of Compliance Committee is taken.

(h) Payment of Listing Fees

The Company's Equity Shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's Unsubordinate, Unsecured Foreign Currency Zero Coupon Convertible Bonds are listed on Singapore Exchange Limited (SGX). Your Company has paid the listing fees as applicable to the Stock Exchanges.

Compliance with the Requirements of Clause 49 of the Listing Agreement

i. Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

ii. Compliance with Non Mandatory Requirements:

The Company has complied with the following Non – Mandatory Requirements of Clause 49 of the Listing Agreement.

a) Remuneration Committee

Your Company has constituted Remuneration Committee the details of which have been provided earlier in this Report.

b) Audit Qualifications

It is always Company's endeavor to present true and fair Financial Statements. Generally, there are no qualifications in the Audit Report and if at all there would be any qualifications, the same shall be reported in the Directors Report accordingly.

c) Whistle Blower Policy

The Company has adopted a 'Whistle Blower Policy', which has been communicated to all the employees along with Code of Business Conduct & Ethics. The Whistle Blower policy is the mechanism to help the employees to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy encourages the employees to raise concerns within the Company than overlooking a problem. CEO/COO/CFO have been designated as Ombudsmen in the Policy. The employees can even report their concerns to the Audit Committee Chairman directly. The Ombudsman who is responsible to submit his report to the Audit Committee does the investigation in the reported concerns. Disciplinary action, if required, is determined by the Audit Committee. The reporting person can make appeal to the Board of Directors against the order of Audit Committee. The Whistle Blower Policy also contains mechanism of redressal available for an employee, if he/she feels that he/she has been retaliated against due to disclosure of concern. No person has been denied access to the Audit Committee.

d) Sexual Harassment Prevention Committee

The Company has constituted Sexual Harassment Prevention Committee for the employees of the Company. The details of the same is been provided earlier in this Report.

8. MEANS OF COMMUNICATION

Effective Communication of Information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders, and promotes Management-Shareholder Relations. Geodesic believes in maintaining transparency in form of disseminating information about the Company or access to latest information, in dealing with the shareholders and other relevant markets.

In view of this policy, Geodesic combines traditional Investor Relations services with on-line investor relations programmes. This provides a fresh approach to corporate communications. It also provides a better understanding on corporate strategy with emphasis on the presentational elements of Investor Communications. The Company regularly interacts with shareholders through multiple channels of communications.

• General Meetings

The shareholders can communicate with the Company in the Annual General Meetings and other Shareholders Meetings held by the Company.

CORPORATE GOVERNANCE REPORT

• Institutional Shareholders

At Geodesic, we maintain an ongoing dialogue with our major institutional shareholders by means of regular meetings and presentations. This feedback is then passed on to the Directors to ensure that the shareholders' views are properly apprehended by the Board.

• Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. This document is the central means of communicating the Company's activities, operations and performance over the past financial year. Our Annual Report is provided every year to shareholders in both print and electronic versions. The same is also available on our website.

• Corporate Website

Our corporate website (www.geodesic.com) provides holistic information to our shareholders. The Company's website is a comprehensive reference on Geodesic's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and share transfer agents. They can access information, lodge any investor related queries, complaints or submit suggestions to the Company on invrel@geodesic.com. Members are requested to quote their e-mail address, telephone number and full address to aid a prompt reply.

• Financial Results

The Quarterly / Half Yearly and Annual Results are submitted to the Stock Exchange immediately after they are approved by the Board. The results are published in one English newspaper and one Vernacular newspaper viz. Economic Times, Free Press Journal and Navshakti within 48 hours of the conclusion of the Board Meeting in which they are approved. The Results are also available on the Company's website in the Investors Relations Section. It is also made available to the investors through fax/mail on demand.

At Geodesic, we maintain an archive of past press releases, announcements and financial data for quick future references.

• Press Releases and Updates

The Company submits the Press Releases and Updates to the Stock Exchanges for the reference to the Shareholders. The same is available on the Company's website in the Newsroom Section.

• Management and Discussion Analysis Report

The Management Discussion & Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said Report.

• Corporate Filing and Dissemination System (CFDS) Filing

As per the requirements of Clause 52 of the Listing Agreement, all the data relating to quarterly, half yearly, annual financial results, shareholding pattern, quarterly corporate governance reports, etc. have been electronically filed on the Corporate Filing and Dissemination System (CFDS) portal, www.corpfiling.co.in within the time frame prescribed in this regard.

CORPORATE GOVERNANCE REPORT

9. GENERAL SHAREHOLDERS' INFORMATION

• Annual General Meeting

Date and Time	Tuesday, 28 th September, 2010 at 11.00 AM
Venue	Tunga International, Banquet 1, 6 th floor, B/11 MIDC Central Road, Andheri (East), Mumbai – 400 093.
Financial Calendar	
Financial year	1 st April to 31 st March
Financial reporting for the year 2009-10 (Results for the quarter ended announced on)	30 th June, 2009 - 31 st July, 2009 30 th September, 2009 - 30 th October, 2009 31 st December, 2009 - 29 th January, 2010 31 st March, 2010 - 7 th May, 2010
Financial reporting for the year 2010–11 (Tentative)	30 th June, 2010 - 13 th August, 2010 30 th September, 2010 - 5 th November, 2010 31 st December, 2010 - 4 th February, 2011 31 st March, 2011 - 6 th May, 2011
Book Closure(Both days inclusive)	24 th September, 2010 to 28 th September, 2010
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) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai 400 023.	In B1 category, part of BSE 500 and BSE MIDCAP Indices
	In EQ series
Singapore Exchange Limited (SGX)	US\$ 113.5 million* Unsubordinated, Unsecured Foreign Currency Zero Coupon Convertible Bonds due 2013. <i>*As on 31st March, 2010.</i>
Stock code	Symbol on NSE - GEODESIC Scrip Code on BSE - 503699
ISIN No.	INE371D01029 – Equity
Capital Structure as on 31st March 2010	
Authorised Capital	Equity – ₹ 30,00,00,000 Preference – ₹ 5,00,00,000
Paid up Capital	Equity – ₹ 184,487,598 Preference – NIL

• Dividend

As per the Dividend Policy of the Company an Interim Dividend of ₹ 0.75 per share (37.5 percent dividend) was declared on 29th January, 2010 and the same was paid on 24th February, 2010. Final dividend of ₹ 1 per share (50 percent dividend) has been recommended by the Board of Directors of your Company and the same will be paid after the approval of shareholders at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE REPORT

• 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 25 th February, 2005	1330.00	115.60	1324.00	114.50
Post 25 th 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 16 th August, 2007	414.00	209.00	415.00	209.00
Post 16 th 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

* 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 2009-10 at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE):

Date	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-09	88.90	64.00	1751553	88.40	64.05	3062381
May-09	127.85	73.50	3225195	128.80	73.50	4270287
Jun-09	124.80	90.60	1853272	124.80	89.30	2772530
Jul-09	123.40	86.35	4462246	123.00	86.10	3508222
Aug-09	134.00	101.00	5276365	133.75	100.90	6885717
Sep-09	158.65	119.75	14283415	158.80	120.00	23673215
Oct-09	143.50	110.50	2105732	143.45	110.00	3617854
Nov-09	112.00	90.00	8952500	113.00	90.00	14447618
Dec-09	134.50	98.10	7606880	134.40	98.00	12268218
Jan-10	147.50	122.00	2516376	147.90	122.40	6321708
Feb-10	137.95	116.50	1093339	139.00	116.75	3202283
Mar-10	134.40	111.15	1582568	133.300	111.70	2583212

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

CORPORATE GOVERNANCE REPORT

• Performance of the Company's Scrip on BSE

Geodesic BSE Performance v/s BSE Indices



• Performance of the Company's scrip on NSE

Geodesic NSE Performance v/s NSE Indices



CORPORATE GOVERNANCE REPORT

10. INVESTOR AWARENESS

We understand and respect our fiduciary role and responsibility towards the shareholders and strive hard to meet their expectations. Corporate Governance has indeed been an integral part of the way we have done business for past decade. We are committed to meeting the aspirations of our shareholders. In continuation of efforts in this direction, we have provided a synopsis of some of your rights and responsibilities as a shareholder.

As an individual shareholder, you enjoy certain rights under the Companies Act, which are as follows:

1. To receive copies of the Annual Report, the Balance Sheet, the Profit & Loss Account and the Auditors Report.
2. To participate and vote in the General Meetings either personally or through proxies.
3. To receive Dividends in due time once approved in General Meetings
4. To receive corporate benefits like bonus, rights, etc once approved.
5. To receive the Share Certificates on allotment or transfer as the case may be, in the due time.
6. To transfer the shares subject to the provisions of the Companies Act and Articles of Association.
7. To nominate a person to whom the shares in the Company shall vest in the event of Death.
8. To apply to Company Law Board to call or direct Annual General Meeting
9. To inspect the Minutes Books of the General Meetings & to receive copies thereof.
10. To proceed against the Company by way of civil or criminal proceedings under various provisions of the Law
11. To apply for winding-up of the Company.

As a Group of Shareholders, you enjoy the following rights under the Companies Act:

1. To requisition an Extra – Ordinary General Meeting
2. To demand a poll on any resolution.
3. To apply to the Company Law Board to investigate the affairs of the Company.
4. To apply to the Company Law Board for relief in cases of oppression and /or mismanagement.

You also enjoy rights of information under Listing Agreements with the Stock Exchanges

Every listed company is required to execute Listing Agreement with the Stock Exchanges in which the securities of the Company are listed. Your Company's shares are listed with National Stock Exchange (NSE) and The Stock Exchange, Mumbai (BSE). Listing Agreement has been executed with both NSE and BSE. All the information required to be made available to you as a shareholder as per the Listing Agreement, has been provided in this Corporate Governance Report annexed to the Company's Annual Report.

In case of the appointment of a new Director or reappointment of a Director you have a right to the following information:

1. A brief resume of the Director;
2. Nature of his expertise in specific functional areas; and
3. Names of Companies in which the person also holds the Directorship and the Membership of Committees of the Board of those Companies
4. Shareholding of Non-Executive Directors

To this end, information has been made available to you in the Annexure to the Notice of Annual General Meeting

CORPORATE GOVERNANCE REPORT

• Share Transfer System

Physical shares sent for transfer are duly transferred within fifteen days of receipt of the documents, if the documents are complete in all respects. Shares under objection are returned within seven days. The Investors' Grievance Committee meets regularly to review the transfer proposals, who have been delegated with requisite authority. All requests for dematerialisation of shares are processed and confirmed to the depositories, NSDL and CDSL, within fifteen days. Share Transfers in physical form can be lodged with Mondkar Computers Private Limited, Registrar & Share Transfer Agents. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of Bank Account Mandate and Nomination.

Members may please note that Securities and Exchange Board of India (SEBI) has made it mandatory to furnish PAN particulars for registration of physical share transfer requests. Hence, all members are required to furnish their PAN particulars in the transfer deed while seeking transfer of shares.

• Distribution of Shareholding as on 31st March, 2010

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares	% of share holding
Upto-5000	16114	94.245	4466154	4.842
5001-10000	431	2.521	1531572	1.660
10001-20000	237	1.386	1735652	1.882
20001-30000	79	0.462	973388	1.055
30001-40000	42	0.246	741806	0.804
40001-50000	18	0.105	408988	0.443
50001-100000	59	0.345	2116075	2.294
100001 & above	118	0.690	80270164	87.020
Total	17098	100	92243799	100

• Shareholding Pattern

Category	31 st March 2010	% of total equity	31 st March 2009	% of total equity
Promoters Group	20,939,765	22.70	21,805,395	23.65
Mutual Funds	403,484	0.44	3,997,830	4.34
FIs	48,503,067	52.58	50,226,107	54.47
Banks (includes insurance companies)	649,523	0.70	512,025	0.56
Private Corporate Bodies	6,347,405	6.88	4,768,696	5.17
Indian Public	13,445,843	14.58	9,269,191	10.05
NRI	1,427,999	1.55	1,274,186	1.38
Others	526,713	0.57	361,544	0.39
Total	92,243,799	100	92,214,974	100

CORPORATE GOVERNANCE REPORT

• Dematerialisation of Shares and Liquidity

As on 31st March, 2010, 99.75% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. In terms of the notification issued by SEBI, trading in the equity shares of the Company is permitted only in dematerialized form w.e.f. 31st May, 1999. Shareholders who still continue to hold shares in physical form can dematerialise their shares at the earliest and avail various benefits of dealings in securities in electronic / dematerialized form.

• Details of Shares in Physical & Electronic Mode as on 31st March, 2010

Particulars	No. of Shares	Percentage of Total Shares
Physical Segment	229,804	0.25 %
Demat Segment	92,013,995	99.75 %
Total	92,243,799	100.00 %

• Outstanding Securities

The Company has not issued any GDR/ADR/warrants during the fiscal 2009-10.

ESOP – 5,00,000 options of ₹ 2/- each were granted to the employees of the Company and its subsidiaries under the ESOP Plan 2002 in the Board Meeting held on 29th April, 2009. They would be convertible into an equal number of equity shares of ₹ 2/- each, upon vesting and exercise by the employees.

FCCB – The Company had issued US\$125 million 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 (the “Singapore Stock Exchange”). During the year, the Company has repurchased USD 3.5 Million face value of FCCB, listed on the Singapore Stock Exchange, in accordance with the A.P. (DIR Series) Circular No. 39 dated December 8, 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. Your Company may repurchase more of these bonds depending upon the market conditions.

• Electronic Clearing Scheme (ECS) for Dividend

SEBI has advised that Companies should mandatorily use ECS facility for distribution of dividends and other cash benefits to the investors. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate warrants.

Shareholders who would like to avail ECS facility and are holding shares in physical form may send in their ECS Mandate Form, dully filled in to the Company’s Registrar and Share Transfer Agent, **M/s. Mondkar Computers Private Limited**, 21, Shakil Niwas, Off Mahakali Caves Road, Andheri (E), Mumbai – 400 093. Shareholders holding shares in demat or electronic form may send in their ECS mandate to the concerned Depository Participant (DP) directly, in the format prescribed by the DP. The Company or the Registrar and Share Transfer Agent can not make any change in such records received from the Depository.

CORPORATE GOVERNANCE REPORT

• Unpaid / Unclaimed Dividend

Section 205 of the Companies Act, 1956, mandates that Companies transfer dividend that has been unclaimed for a period of 7 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 31.03.2010 (₹)	Date of Declaration	Dividend Payment Date	Due date for transfer to IEPF
2003-2004 Interim	1436.00	09.10.2003	07.11.2003	November 2010
2003-2004 Final	2,693.00	25.08.2004	20.09.2004	September 2011
2004-2005 Interim	6,618.00	07.01.2005	31.01.2005	February 2012
2004-2005 Final	5,926.60	09.08.2005	31.08.2005	August 2012
2005-2006 Interim	38,013.80	20.01.2006	16.02.2006	February 2013
2005-2006 Final	18,774.80	15.09.2006	06.10.2006	October 2013
2006-2007 Interim	26,643.80	22.01.2007	17.02.2007	February 2014
2006-2007 Final	20,013.20	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	37,354.80	14.08.2008	05.09.2008	September 2015
2008-2009 Interim	82,221.81	30.01.2009	25.02.2009	February 2016
2008-2009 Final	1,75,629.60	29.09.2009	20.10.2009	October 2016
2009-2010 Interim	2,88,143.25	29.01.2010	24.02.2010	February 2017

• Development Centre Locations

MUMBAI

B-3, Lunic Industries, Cross Road No. 'B', MIDC, Andheri (E), Mumbai – 400 093.

Tel : +91-22-28311849 / +91-22-28306804

Fax: +91-22-28200832

Sai Girdhar Bldg, 2nd floor, Plot No 87, Street No 15, Near Akruti Trade Center, M.I.D.C Andheri East, Mumbai 400093, India.

Tel: +91 22 42146000 /60 /61

Unit No. 51, SDF – II, SEEPZ – SEZ, Andheri (E), Mumbai – 400096, India.

Tel: +91-22-40315800

Santogen House, Plot No. A/69, 1st Floor, MIDC, Behind Tunga International Hotel, Andher (East), Mumbai – 400093.

BANGALORE

No 18 10th Cross Mayura Streetpapanna Layout, Outer Ring Road Bangalore - 560094.

Tel : +91-80-6655 1000

Fax : +91-80-6655 1029

• Address for Correspondence

M/s. Mondkar Computers Private Limited

Unit: Geodesic Limited

21, Shakil Niwas, Near Satya Saibaba Temple, Opp. Mahakali Caves Road, Andheri (E), Mumbai – 400 093.

Phone: +91-22-28221966

Fax:+91-22- 28211996

Email: info@mondkarcomputers.com

Geodesic Limited

B-3, Lunic Industries, Cross Road No. B, MIDC, Andheri (E), 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 year ended on March 31, 2010, 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.

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: 27th August, 2010

AUDITORS' REPORT

TO THE MEMBERS OF GEODESIC LIMITED

1. We have audited the attached Balance Sheet of GEODESIC LIMITED ("the Company") as on 31st March 2010 and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

3. As required by the Companies [Auditors' Report] Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we consider appropriate, and according to the information and explanation given to us during the course of audit, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable to the Company for the year under reference.

4. Further to our comments in the annexure referred to in paragraph 3 above, we further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to under sub-section (3C) of the section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our knowledge and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i] In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii] In the case of Profit and Loss Account of the profit for the year ended on that date; and
 - iii] In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Borkar & Muzumdar

Chartered Accountants

CA Rajesh Batham

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date: 27th August, 2010

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 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 management has informed us that they have physically verified the fixed assets at the end of the year 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.
- c) In our opinion and according to the information and explanation given to us, the Company has not disposed of any substantial part of fixed assets during the year 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 has started dealing in Hardware products developed and launched during the year. There is a stock of RM and WIP and Finish Goods maintained at Roorkee. Accordingly, clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (the order) is not applicable.

- a) There is a stock of raw materials, work in progress and finished goods at the Roorkee unit. The management has informed us that they have physically verified the inventory at the end of the year 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.
- b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. LOANS AND ADVANCES:

- a) The Company has not granted any loans, secured or unsecured, to any Company, firm or other party covered under the register maintained under section 301 of the Companies Act, 1956.
In view of clause (3) (a) above, the clauses (3) (b), (3) (c) and (3) (d) are not applicable.
- e) The Company has not taken any loans, secured or unsecured, from any Company, firm or other party covered under the register maintained under section 301 of the Companies Act, 1956.
In view of clause (3) (e) above, the clauses (3) (f), (3) (g) are not applicable.

4. INTERNAL CONTROL:

In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and sale of Software, goods & services. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal controls system.

During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

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

- a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions have been made at prices and terms which were prevalent in the market at the relevant time.

ANNEXURE TO AUDITORS' REPORT

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 commensurate 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:

- a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- c) 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, 2010 which have not been deposited on account of any dispute.
- d) 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 year and it has not incurred any cash losses during the current year 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 not defaulted in repayment of dues to banks and financial institutions. 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.

ANNEXURE TO AUDITORS' REPORT

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 not given any guarantee for loans taken by others from banks or financial institutions.

16. TERM LOANS:

No term loans have been taken by the Company during the year under audit. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

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 year. Therefore the provisions of clause 4 (xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

ANNEXURE TO AUDITORS' REPORT

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: 27th August, 2010

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BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SOURCES OF FUNDS			
Shareholders Funds :			
Share Capital	1	1,844.88	1,844.30
Reserves & Surplus	2	75,191.22	59,563.26
Loan Funds :			
Secured Loans	3	1.40	4.33
Unsecured Loans	4	58,691.59	64,092.72
Deferred Tax Liability (Net)	5	-	21.96
		135,729.09	125,526.57
APPLICATION OF FUNDS			
Fixed Assets :			
	6		
Gross Block		14,808.86	16,510.70
Less: Accumulated Depreciation / Amortization		8,822.87	10,224.99
Net Block		5,986.00	6,285.71
Capital Work in Progress		8,493.92	7,394.39
		14,479.92	13,680.10
Investments	7	51,399.83	42,693.80
Deferred Tax Assets	8	169.58	-
Current Assets, Loans and Advances :			
Sundry Debtors	9	35,504.74	31,925.12
Inventory	10	383.73	1.24
Cash and Bank Balance	11	19,260.68	28,065.24
Loans & Advances	12	19,881.34	15,445.01
Share Application towards allotment of Equity shares (Refer Note B-10 of Sch. 22)		3,030.15	3,027.06
		78,060.64	78,463.67
Less: Current Liabilities and Provisions :			
Current Liabilities	13	4,908.06	6,163.07
Provisions	14	4,266.39	4,283.06
Net Current Assets		68,886.20	68,017.55
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	793.58	1,135.13
		135,729.09	125,526.57
Notes to Accounts	22		

The Schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet

As per our report on even date

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule	31-Mar-2010	31-Mar-2009
		₹ in lacs	₹ in lacs
Income from Operations	16	48,726.74	49,379.29
Increase in Stock of Finished Goods		21.05	-
Other Income	17	1,575.64	1,432.98
		50,323.43	50,812.27
EXPENDITURE:			
Operational Expenses	18	19,680.90	19,335.28
Employees Costs	19	1,900.60	1,616.16
Other Administrative Expenses	20	3,604.50	2,822.79
Finance Cost	21	3,720.94	4,034.50
Depreciation / Amortization	6	4,480.86	3,146.83
Miscellaneous Expenditure written off	15	342.54	341.92
		33,730.35	31,297.48
Net Profit Before Taxes		16,593.08	19,514.79
Less: Taxation Expense:			
- Current Tax		-	1,520.00
- Fringe Benefit Tax		-	29.00
- Deferred Tax (Credit) / Charge		(189.30)	199.20
Net Profit after Tax		16,782.38	17,766.59
Less: Prior Period (Income)/Expenditure (Refer Note B-13 of Schedule 22)		(1.10)	952.11
Less: Prior Period Taxation		93.16	34.37
Profit for the year		16,690.33	16,780.11
Add: Exceptional Income (See Note B-5 of Schedule 22)		797.97	2,360.94
Net Profit after Exceptional Income		17,488.30	19,141.05
Balance brought forward		39,150.43	23,650.83
Profit available for appropriation		56,638.72	42,791.88
Appropriations			
Less: Interim Dividend paid		691.83	737.73
Less: Corporate Tax on Interim Dividend		117.58	125.37
Less: Short Provision made for Final Dividend FY 2007-08		-	0.21
Less: Short Provision made for tax on Final Dividend FY 2007-08		-	0.02
Less: Proposed Equity Dividend		922.44	737.72
Less: Tax on Proposed Equity Dividend		152.46	125.37
Less: Transfer to General Reserve		1,748.90	1,915.04
Profit carried to Balance Sheet		53,005.44	39,150.43
Notes to Accounts	22		
Earnings per share			
Basic Earnings per Equity share (Refer Note B-7 of Schedule 22)		18.96	20.76
Diluted Earnings per Equity share		18.86	20.72
Nominal Value per Equity Share		2.00	2.00

The Schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss Account.

As per our report on even date

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

FRN: 101569W

MUMBAI

Date : 27th August, 2010

Swati Gupta
Company Secretary

GEODESIC LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009 - 10	2009 - 10
	₹ in lacs	₹ in lacs
A Cash flow From Operating Activites:		
Net Profit before Tax and prior period adjustments	16,593.08	19,514.79
Adjustment for		
- Depreciation / Amortisation	4,480.86	3,146.83
- Prior Period Adjustments / Taxation	(92.06)	(986.48)
- Increase in stock of finished goods	(21.50)	-
- Miscellaneous Expenditure written off	342.54	341.92
- Loss / (Profit) on Forward Contracts	2,940.40	1,511.92
- Loss / (Profit) on sale of Fixed Assets (Net)	1.55	0.73
- (Profit) / Loss on sale of current investments (Net)	(12.50)	(79.63)
- Loss / (Profit) from PMS Investments	-	48.36
- Foreign Exchange (Gain) / Loss (net)	(827.47)	615.89
- Dividend Income	(41.42)	(50.47)
- Interest Income	(685.69)	(1,965.02)
- Interest Expenses	3,647.51	3,698.15
- Bad Debts written off	-	203.68
- Balances written off / Advances written off	30.32	317.44
- Investments written off / Diminution in value of investments	-	75.15
Operating Profit before Working Capital Changes	26,355.65	26,393.26
Movements in working capital :		
Decrease / (Increase) in sundry debtors	(3,555.17)	(23,607.32)
Decrease / (Increase) in loans & advances	(1,285.60)	512.46
(Decrease) / Increase in provision for leave encashment and gratuity	(38.15)	13.38
Decrease / (Increase) in inventory	(382.49)	-
(Decrease) / Increase in current liabilities	(1,255.01)	2,844.31
Cash Generated From Operations	19,839.20	6,156.09
Direct Tax Paid (net of refunds)	(433.83)	(1,386.58)
Net Cash from / (used in) Operating Activities	19,405.39	4,769.51
B Cash flow From Investing Activites:		
- Purchase of Fixed Assets	(7,260.85)	(6,422.95)
- Sale of Fixed Assets	0.05	(0.73)
- (Purchase) / Sale of Current Investment (Net)	(11.83)	1,796.16
- Share application money transferred to equity / (paid)	(3.09)	4,096.40
- Investment in Subsidiaries	(8,694.19)	(40,176.81)
- Loan to Subsidiaries	585.59	(3,435.21)
- Intercompany Deposits given	(3,538.54)	(2,542.16)
- Profit on Sale / maturity of Investments	-	78.27
- Interest Received	103.19	687.65
- Dividend Received	6.28	13.31
- (Loss) / Profit on Forward Contracts	(2,940.40)	(1,511.92)
Net Cash from / (used in) Investing Activities	(21,753.79)	(47,417.99)

GEODESIC LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009 - 10 ₹ in lacs	2009 - 10 ₹ in lacs
C Cash flow From Financial Activites:		
- Proceeds from issue of share capital	24.62	56.62
- Share Issue Expenses	(0.98)	(1.42)
- Profit on buy back of FCCB	797.97	2,360.94
- (Decrease) / Increase in FCCB liability	(5,401.13)	13,425.66
- Repayment of Share Application money	-	(168.00)
- Repayment of Long term Borrowings	(2.93)	(7.87)
- Dividend Paid	(1,429.55)	(737.94)
- Interest Paid	(201.21)	(75.69)
- Tax on Dividend paid	(242.95)	(125.39)
Net Cash from / (used in) Financial Activities	(6,456.16)	14,726.91
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	(8,804.56)	(27,921.57)
Cash and Cash Equivalents at the beginning of the year	28,065.24	55,986.81
Cash and Cash Equivalents at the end of the year	19,260.68	28,065.24
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	2.79	1.93
With Banks : in current account	12,720.27	14,220.23
in fixed deposit	6,537.61	13,843.08
	19,260.68	28,065.24

As per our report on even date

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at	
	31-Mar-2010	31-Mar-2009
	₹ in lacs	₹ in lacs
SCHEDULE 1:		
Share Capital		
Authorised:		
15,00,00,000 (P.Y. 15,00,00,000) Equity Shares of ₹ 2 each	3,000.00	3,000.00
50,00,000 (P.Y. 50,00,000) Preference Shares of ₹ 10 each	500.00	500.00
	3,500.00	3,500.00
Issued, Subscribed & Paid Up		
9,22,43,799 (P.Y. 9,22,14,974) Equity Shares of ₹ 2 each fully paid up	1,844.88	1,844.30
	1,844.88	1,844.30
Of the above:		
For stock option outstanding details refer Note B-4, B-8 of Schedule 22		
SCHEDULE 2:		
Reserves & Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	16,491.48	16,436.10
Add: Increase during the year (Refer Note B-4 of Sch.22)	24.04	55.38
	16,515.52	16,491.48
General Reserve		
Balance as per last Balance Sheet	3,921.36	2,006.32
Add: Transferred from Profit & Loss Account	1,748.90	1,915.04
	5,670.26	3,921.36
Balance in Profit & Loss Account	53,005.44	39,150.43
	53,005.44	39,150.43
TOTAL	75,191.22	59,563.26
SCHEDULE 3:		
Secured Loans		
Kotak Mahindra Prime Limited (Secured against hypothecation of cars)	1.40	3.04
Loans repayable within one year ₹ 1.40 lacs (P.Y. ₹ 1.64 lacs)		
ICICI Bank Limited (Secured against hypothecation of cars)	-	1.29
Loans repayable within one year ₹ Nil (P.Y. ₹ 1.29 lacs)		
TOTAL	1.40	4.33
SCHEDULE 4:		
Unsecured Loan		
Zero Coupon Convertible Bonds [including interest accrued but not due ₹ 7457.69 lacs (P.Y. ₹ 4735.97 lacs)] (Refer Note B-5 of Schedule 22)	58,691.59	64,092.72
	58,691.59	64,092.72
SCHEDULE 5:		
Deferred Tax Liability (Net):		
- Deferred tax liability	-	2.25
- Provision for doubtful debt		(8.31)
- Difference due to disallowances under Section 40A of Income Tax Act, 1961		(0.88)
- Difference due to disallowance under Section 43B of Income Tax Act, 1961	-	(0.31)
- Difference due to book and tax depreciation	-	29.21
TOTAL	-	21.96

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE-6

Fixed Assets

Description	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As At 1-Apr-2009 ₹ in lacs	Additions During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2010 ₹ in lacs	As At 1-Apr-2009 ₹ in lacs	During the Year ₹ in lacs	As At 31-Mar-2010 ₹ in lacs	As At 31-Mar-2009 ₹ in lacs
Tangible Assets :								
Plant & Machinery	-	11.44	-	11.44	-	1.13	10.31	-
Computers	387.87	85.59	1.26	472.20	252.22	71.15	149.56	135.65
Vehicles	71.75	-	4.20	67.55	56.06	4.05	10.97	15.70
Leasehold Improvements - Roorkee	-	0.85	-	0.85	-	0.11	0.73	-
Leasehold Improvements - B'lore	202.19	-	-	202.19	58.21	46.50	97.47	143.97
Leasehold Improvements - Mumbai	437.95	19.76	-	457.71	16.18	30.10	411.44	421.78
Furniture & Fixtures	133.42	0.40	-	133.82	70.77	11.34	51.70	62.65
Office Equipment	142.61	23.64	1.10	165.15	31.20	16.04	118.41	111.41
Total	1,375.79	141.68	6.56	1,510.90	484.64	180.42	850.60	891.15
Intangible Assets :								
Internally Generated Software	7,951.54	1,853.07	5,903.28	3,901.33	4,141.92	3,016.46	2,646.24	3,809.62
Testing & Tooling Software	4,760.66	2,172.30	-	6,932.96	3,998.41	501.76	2,432.80	762.26
Other Software	150.11	27.82	-	177.93	88.77	32.79	56.37	61.34
Goodwill	2,285.74	-	-	2,285.74	1,523.75	761.99	-	761.99
Total	15,148.06	4,053.19	5,903.28	13,297.96	9,752.85	4,313.00	5,135.40	5,395.21
Transfer to CWIP *	-	-	-	-	-	12.56	-	-
Current Year Total	16,523.84	4,194.87	5,909.85	14,808.87	10,237.49	4,480.86	8,882.87	6,286.36
CWIP	7,394.39	4,465.38	3,365.85	8,493.92	-	-	8,493.92	7,394.39
Current Year Grand Total	13,888.00	2,765.11	142.41	16,510.70	7,124.19	3,146.83	10,224.99	13,680.75
Previous Year	-	-	-	-	-	53.25	13,680.10	13,327.72

* Proportionate depreciation on assets used for development of new products has been transferred to Capital Work in Progress (CWIP)

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 7:		
Investments		
Long Term (at cost)		
(A) In Subsidiaries-Unquoted and Trade Investments in Equity Shares :		
9,999 (P.Y. Nil) shares in Geodesic Gridpoint Energy Pvt Ltd of ₹ 10 each paid up (Refer Note B-9 of Schedule 22)	1.00	-
9,999 (P.Y. Nil) shares in ITM Digital Pvt Ltd of ₹ 10 each paid up (Refer Note B-9 of Schedule 22)	1.00	-
Nil (P.Y. 27,210) shares of Geodesic (Hong Kong) Limited, Hongkong of HK\$1 each paid up (Refer Note B-9 of Schedule 22)	-	405.98
95,265,100 (P.Y. 76,265,100) shares of Geodesic Holdings Limited, Mauritius of US\$ 1 each paid up (Refer Note B-9 of Schedule 22)	45,593.40	36,870.60
12,522,575 (P.Y. 70,15,050) shares of Chandamama India Limited of ₹10 each paid up and 35,07,525 equity share ₹ 5 paid up (Refer Note B-9 of Schedule 22)	1,954.59	1,579.22
50,000,000 (P.Y.50,000,000) shares of Geodesic Technology Solutions Limited, Hong Kong of HK\$ 1 each paid up (Refer Note B-9 of Schedule 22)	3,139.36	3,139.36
(B) In Equity Shares-Quoted		
997 (P.Y. 997) equity shares of Indraprastha Gas Ltd. of ₹10 each paid up	1.00	1.00
244,238 (P.Y. 244,238) Equity Shares of Subex Systems Ltd. of ₹10 each paid up	346.93	346.93
(C) In Equity Shares - Unquoted		
49,999 (P.Y. Nil) shares in Filmorbit.Com India Pvt Ltd of ₹ 10 each paid up	5.00	-
Other Investments - Non Trade Current Investments (at lower of cost and market value)		
In Mutual Funds- unquoted		
(A) GROWTH FUNDS :		
DSP Merrill Lynch Equity Fund - Regular Growth 3,15,548.58 (P.Y. 3,15,548.58) units, face value ₹ 10	24.19	24.19
IL&FS Investmart Securities Ltd - I Growth - ELD Nil (P.Y. 25) units, face value ₹ 100000	-	25.00
Reliance Growth Fund - Growth Option 2,669.172 (P.Y. 2,669.172) units, Face Value ₹ 100	5.53	5.53
Reliance Natural Resources Fund - Growth Plan - Growth Option 977,995.110 (P.Y. 977,995.110) Units, Face value ₹ 10	60.15	60.15
LICMF Savings Plus Fund - Growth Plan 174,167.479 (P.Y. Nil) Units, Face value ₹ 10	25.00	-
BMF Gold Bees NFO 1,041.72 (P.Y. 1,041.72) units, Face value ₹ 1000	9.88	9.88
(B) INCOME FUNDS:		
Sundaram BNP Paribas Fixed Term Plan - J Nil (P.Y. 100,000) units, face value ₹ 10	-	10.37
DWS Insta Cash Plus Fund - Super Institutional - Plan Daily Dividend 4,157.048 (P.Y. Nil) units, Face Value ₹ 10	0.42	-
HDFC Equity Fund - Dividend Option 36,677.083 (P.Y. 33,552.105) Units, Face value ₹ 10	8.67	7.33
JM Advantage Arbitrage Fund-Dividend Plan 640,511.753 (P.Y. 616,290.128) units, Face Value ₹ 10	64.21	61.78
Sundaram BNP Paribas Entertainment Opportunity - Div 252,593.132 (P.Y. 200,000) units, face value ₹ 10	26.32	20.00

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010	As at 31-Mar-2009
	₹ in lacs	₹ in lacs
SCHEDULE 7: (Continued)		
TATA Equity Management Fund 5,00,000 (P.Y. 5,00,000) units, Face Value ₹ 10	35.22	35.22
UTI Master Index Fund 23,655.146 (P.Y. 23,655.146) units, Face Value ₹10	7.09	7.09
Sundaram BNP Paribas Ultra ST Fund Retail -Daily Div 100,837.010 (P.Y. Nil) units, Face Value ₹ 10	10.12	-
National Savings Certificate	0.03	0.03
# Reliance Capital Asset Management Company (PMS)	80.72	84.14
TOTAL	51,399.83	42,693.80
# Represents amount lying with Reliance Capital Asset Management Company for investing on behalf of the Company in various segments of the stock market		
Aggregate amount of unquoted investments	51,051.90	42,345.87
Aggregate amount of quoted investments	347.92	347.93
Market value of quoted investments	149.32	56.53

Details of Investments Purchased and Sold during the year 2009-10

Particulars	No. of Units	Face Value ₹	Purchase Cost ₹ in lacs
Growth Funds			
DWS Mondey Plus Fund - Growth Plan	4,945,060.3790	10.0000	500.00
LICMF Liquid Fund - Growth Plan	1,373,508.9800	10.0000	225.00
Reliance Liquidity Fund - Growth Option	7,464,023.4070	10.0000	1,000.00
Income Funds			
Liquid Funds:			
Canara Robeco Loquid Super Institutional - Daily Dividend - Reinvest Fund	4,979,583.7068	10.0000	500.00
DWS Insta Cash Plus Fund Super Institutional - Daily Dividend	6,978,784.4950	10.0000	700.00
Fortis Overnight Fund - Institutional Plan Daily Dividend	1,999,400.1800	10.0000	200.00
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend - Option Reinvestment	1,993,719.7830	10.0000	200.00
Kotak Liquid Institutional Premium - Daily Dividend	4,088,942.6812	10.0000	500.00
LICMF Liquid Fund - Dividend Plan	17,486,179.5420	10.0000	1,920.00
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend	4,999,000.2000	10.0000	500.00
ICICI Prudential Institutional Liquid Super Institutional - Dividend - Daily	99,978.0050	100.0000	100.00
Reliance Liquidity Fund - Treasury Plan - Institutional Option - Daily Dividend Option	3,270,710.1370	10.0000	500.00
Sundaram BNP Paribas Money Fund Inst - Daily Dividend	1,981,119.9270	10.0000	200.00

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 8:		
Deferred Tax Asset (Net):		
Deferred tax asset		
- Difference due to book and tax depreciation	139.73	-
- Difference due to book and tax depreciation for tax holiday period	29.67	-
- Difference due to disallowance under Section 43B of Income Tax Act, 1961	0.17	-
TOTAL	169.58	-
SCHEDULE 9:		
Current Assets, Loans and Advances :		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
Considered Good	11,973.71	4,295.13
Considered Doubtful	-	24.45
	11,973.71	4,319.58
Other Debts-considered good	23,531.03	27,629.99
	35,504.74	31,949.57
Less: Provision for Doubtful Debts	-	24.45
TOTAL	35,504.74	31,925.12
SCHEDULE 10 :		
Inventory		
Closing Stock of Finished Goods		
GeoAmida (valued at lower of cost or market value)	21.05	1.24
Raw Material (valued at cost)	1.28	-
Work in Progress - GeoAmida (valued at cost)	361.40	-
TOTAL	383.73	1.24
SCHEDULE 11 :		
Cash and Bank Balances		
Cash in Hand	2.79	1.93
Balance with Scheduled Banks :		
In Current A/c	11,569.14	3,915.13
In Fixed Deposits*	6,537.61	13,843.08
Balance with Non-Scheduled Banks in Foreign Currency:		
In Current A/c **	1,151.13	10,305.10
TOTAL	19,260.68	28,065.24
* includes ₹ 35.95 lacs (P.Y. ₹ 12.64 lacs) pledged in favour of banks as margin money against guarantee given by the Bank.		
** Refer Note B-11 of Schedule 22 for details of balances in non-scheduled banks in foreign currency, balances in current and deposit account with scheduled banks.		
SCHEDULE 12 :		
Loans and Advances		
Unsecured - Considered Good		
Interest Receivable on Bank Deposits	26.60	91.20
Advance recoverable in cash or in kind or for value to be received	2,561.65	1,033.39
Loans and Advances to Subsidiaries	6,032.98	6,618.57
Inter Corporate Deposits	7,736.83	4,198.29
Leave Encashment Fund (net of provision)	3.86	-
Advance Tax	3,383.80	3,186.02
Sundry Deposits	134.35	316.76
Other Receivable - VAT input credit	1.27	0.78
TOTAL	19,881.34	15,445.01

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 13 :		
Current Liabilities		
Sundry Creditors	4,664.67	4,970.57
Sundry Creditors for Expenses	80.33	53.11
Liabilities for Expenses	106.44	385.43
Book overdraft	-	152.46
Unclaimed Dividend	7.99	3.27
Other Liabilities	48.62	598.23
TOTAL	4,908.06	6,163.07
SCHEDULE 14 :		
Provisions		
Proposed Equity Dividend	922.44	737.72
Provision for Tax	3,103.70	3,275.55
Provision for Gratuity (net of funds with LIC)	1.46	2.75
Provision for Leave Encashment	-	36.86
Provision for Fringe Benefit Tax [net of taxes paid ₹126.45 lacs (P.Y. ₹ 105.18 lacs)]	86.33	104.81
Provision for Corporate Dividend Tax	152.46	125.37
TOTAL	4,266.39	4,283.06
SCHEDULE 15 :		
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	-	0.28
Less: Written Off	-	0.28
	-	-
Share Issue Expenses	17.56	32.14
Add: During the Year	0.98	1.42
Less: Written off	7.96	16.01
	10.58	17.55
Deferred Revenue Expenditure	52.20	104.40
Less: Written off	52.20	52.20
	-	52.20
Merger Expenses	6.22	8.10
Less: Written off	3.32	1.88
	2.90	6.22
Bond Issue Expenses	1,059.15	1,337.20
Add: During the Year	-	1.00
Less: Written off	279.05	279.04
	780.10	1,059.16
Balance carried to Balance Sheet	793.58	1,135.13

SCHEDULES ANNEXED TO AND FORMING A PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 16 :		
Income from Operations:		
Consultancy & Service Income	476.99	986.08
Product & Services Income	48,249.75	48,393.21
TOTAL	48,726.74	49,379.29
SCHEDULE 17 :		
Other Income :		
Interest Income		
Bank Deposits [TDS ₹ 21.32 lacs (P.Y. ₹ 49.91 lacs)]	130.00	828.94
Inter Corporate Deposit [TDS ₹ 59.00 lacs (P.Y. ₹ 254.39 lacs)]	555.32	1,136.43
Dividend Income on units of mutual funds and shares	41.42	50.47
Profit on sale of Current Investments	12.50	79.63
(Loss) / Income from PMS Investments	-	(48.36)
Sundry Receipts	8.92	1.76
Exchange Gain / (Loss) (net)	827.47	(615.89)
TOTAL	1,575.64	1,432.98
SCHEDULE 18 :		
Operational Expenses :		
Software Development Expenses	19,378.95	18,990.31
Server Hosting Charges	64.59	49.64
Communication & Telephone Expenses	101.14	77.49
Electricity Charges	72.22	72.19
Radio Station Set up Charges	-	7.50
Legal & Professional Fees	44.67	138.15
Call Minutes Purchased	18.97	-
Delivery Charges	0.35	-
TOTAL	19,680.90	19,335.28
SCHEDULE 19 :		
Employee Costs :		
Salary, Wages, Bonus and Allowances and Reimbursements	1,721.17	1,440.94
Contribution to Provident and Other Funds	100.77	87.57
Staff Welfare Expenses	78.66	87.65
TOTAL	1,900.60	1,616.16
SCHEDULE 20 :		
Other Administrative Expenses :		
Rent / Hire Charges	103.71	131.85
Insurance Charges	17.68	13.15
Repairs & Maintenance - Others	62.82	38.84
Advertisement and Publicity Expenses	86.56	124.91
Travelling & Conveyance	91.57	123.86
Printing & Stationery	19.06	19.91
Legal and Professional Fees	170.68	120.53
Director's Sitting Fees	1.90	1.65
Auditors Remuneration	12.21	12.61
Loss on Forward Contracts	2,940.40	1,511.92
Loss on Sale of tangible Fixed Assets	1.55	0.73
Balances written off / written back	30.32	317.44
Investments written off / Diminution in value of investments	-	75.15
Bad Debts written off	-	203.68
Other Office Expenses	66.03	126.56
TOTAL	3,604.50	2,822.79
SCHEDULE 21 :		
Financial Expenses :		
Interest Charges	3,647.51	3,959.16
Other Finance Costs	73.43	75.34
TOTAL	3,720.94	4,034.50

NOTES ON ACCOUNTS

SCHEDULE 22:

Nature of Operations:

The Company is the creator of Mundu ICE Information, Communication and Entertainment Stack based on a universal Instant Messaging Platform. The Company continuously upgrades existing products and develops new products to keep ahead of the curve.

A. SIGNIFICANT ACCOUNTING POLICIES:

1. ACCOUNTING CONVENTIONS:

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles ("GAAP") in India, the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956, adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

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, and 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 materialized.

The accounting policies as discussed below, are consistent with those used in the previous year.

2. 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 realization 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 and acceptance of the delivery by 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.

• Other Income

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

• Post sales client support services

Revenue also includes cost of after sale support services.

3. FIXED ASSETS, INTANGIBLE ASSETS AND WORK IN PROGRESS:

• Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any cost attributable for bringing the asset to its present 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

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

4. DEPRECIATION:

• Depreciation is provided 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 to 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.

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%

5. 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.

NOTES ON ACCOUNTS

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.

6. INVESTMENTS:

Investments that are intended to be held for a period 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 comprising investments in mutual funds 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.

7. INVENTORIES:

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

8. LEASE:

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.

9. 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 realized /settled is recognized 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 year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

10. 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.

11. PROVISION FOR TAXATION:

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 a 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 is eligible for 100% tax holiday under Section 10A of the Income Tax Act, 1961 until March 2011. 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.

No provision is considered necessary for taxation for the year since there is no taxable income under the normal provisions of the Income Tax Act. Further even the book profit is not liable to Minimum Alternate Tax as the same entirely arises from an undertaking in the Special Economic Zone (SEZ).

The Company started manufacture of GeoAmida at their unit in Roorkee, 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.

12. 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.

NOTES ON ACCOUNTS

13. MISCELLANEOUS EXPENDITURE:

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

14. 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.

15. 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 amortized over the vesting period of the option on a straight line basis.

16. 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 year 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.

NOTES ON ACCOUNTS

B. NOTES TO ACCOUNTS

1. 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

Revenue by Geographical Segment			₹ in lakhs	
Region	2009-10	2008-09		
India	794.64	855.20		
Outside India	47,932.10	48,524.09		

Segment Assets

Segment Assets			₹ in lakhs	
Region	2009-10	2008-09		
India (Assets excluding Export Customers)	1,09,586.39	1,04,235.59		
Outside India (Export Customers)	35,317.14	31,772.66		

The Company's operating facilities are located in India.

The total cost incurred during the year to acquire fixed assets within India is disclosed at Schedule 6. Segment revenue is based on geographical locations of customers and segment asset is based on geographical location of assets.

₹ in lakhs				
Sr.No.	Particulars	2009-10	2008-09	
1.	Outstanding bank guarantees	35.95	12.64	
2.	Appeal pending with CIT Appeals VIII for AY 2005-06	6.93	-	
3.	Appeal pending with CIT Appeals XXX for AY 2006-07	0.53	-	
4.	Appeal pending with CIT Appeals XXX for AY 2007-08	4.14	-	
5.	Appeal pending with CIT Appeals XXX for AY 2008-09	7.26	-	
6.	Appeal pending with CIT Appeals XXX for AY 2009-10	0.08	-	
7.	Third party Bank Guarantee given on behalf of Chandamama India Ltd	-	200.00	
	Total	54.89	212.64	

3. Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956:

₹ in lakhs		
Particulars	2009-10	2008-09
Profit before tax	16,593.08	19,514.79
Add:		
Loss on cancellation / delivered foreign contracts	2,940.40	1,511.92
Infructuous project expenses written off	1,512.77	142.41
Directors' Fees	1.90	1.65
Loss on sale of fixed assets as per Profit and Loss Account	1.55	0.73
	21,049.71	21,171.50

Managerial Remuneration

₹ in lakhs		
Particulars	2009-10	2008-09
Salaries	53.72	53.72
Contribution to Provident Fund and other Funds	0.28	0.28
Directors sitting Fees	1.90	1.65
Total	55.90	55.65

4. Share Capital:

Employees have exercised 28,825 (P.Y. 62,035) stock options during the year, which has resulted in an increase in Equity Share Capital by ₹0.58 lakhs (P.Y ₹ 1.24 lakhs) and Security Premium Account by ₹24.04 lakhs (P.Y. ₹ 55.38 lakhs).

5. Foreign Currency Convertible Bonds (FCCB):

The Company raised ₹ 49,962.50 lakhs 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, the Company has repurchased US\$ 8.50 Million face value of FCCB, 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\$ 113.50 million are outstanding. The Company may repurchase more of these bonds depending upon the market conditions.

As a result of the above buy back, the Company has made a profit of ₹ 676.36 lakhs (P.Y. ₹ 2,100.31 lakhs) and has also written back the provision for interest accrued but not due on the said buy back Bonds amounting to ₹121.61 lakhs (P.Y. ₹ 260.63 lakhs). Considering the nature of profit on account of buy back of Bonds and write back of the provision for interest, the same is shown as "Exceptional Income" on the face of the Profit and Loss Account.

The Bonds carry an yield of 6.60% per annum based on the same, interest of ₹ 3,677.44 lakhs (P.Y. ₹ 3,958.78 lakhs) has been provided in the accounts (refer Schedule 21 of the Balance Sheet).

NOTES ON ACCOUNTS

6. Related Party Disclosures:

(i) List of Related Parties

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

a. Key Managerial Personnel (KMP):

- Mr. Pankaj Kumar
- Mr. Kiran Kulkarni
- Mr. Prashant Mulekar

b. Enterprise over which Key Management Personnel exercise significant influence:

- None

c. Subsidiary Companies

(A) Direct Holding	(B) Indirect Holding
• Chandamama India Limited (CIL)	-
• ITM Digital Private Limited (ITM)	-
• 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)
d. Associate Company	
Filmorbit.Com India Private Limited (FIPL)	

(ii) Transactions with related parties:

Nature of Transaction	Subsidiaries - Direct Holding							₹ in lakhs
	GHL	GTSL	GIS INC	ITM DG	GEO GEPL	CIL	KMP	
	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	
Investments made during the year	8,722.80 (36,870.60)	- (3,138.85)	-	1.00 (-)	1.00 (-)	375.38 (175.38)	- (-)	
Investments as at Year end	45,593.40 (36,870.60)	3,139.36 (3,139.36)	-	1.00 (-)	1.00 (-)	1,954.59 (1,579.22)	- (-)	
Share Application Money paid by the Company during the year	- (-)	- (-)	- (-)	1.00 (-)	1.00 (-)	370.28 (180.48)	- (-)	
Share Application Money paid by the Company as at year end	- (-)	3,021.96 (3,021.96)	- (-)	- (-)	- (-)	- (5.10)	- (-)	
Loans given during the year	- (-)	20.91 (10,242.94)	- (5.95)	4.68 (-)	0.19 (-)	0.15 (-)	- (-)	
Interest Accrued	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Product and Service Income/Expenses(-)	- (-)	42,003.97 (46,492.75)	- (-)	- (-)	- (-)	- (-)	- (-)	
Outstanding balance as on Mar-31, 2010 (-) Cr	- (-)	35,270.07 (33,532.57)	12.23 (12.23)	4.68 (-)	0.19 (-)	0.15 (-)	- (-)	
Share Application Money (received) As at year end								
-Pankaj Kumar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
-Kiran Kulkarni	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Loans given during the year	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Interest Accrued	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Product and Service Income/Expenses	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Outstanding balance as on 31-Mar-10	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	
Managerial Remuneration								
- Pankaj Kumar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	18.00 (18.00)	
- Kiran Kulkarni	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	18.00 (18.00)	
- Prashant Mulekar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	18.00 (18.00)	

NOTES ON ACCOUNTS

(ii) Transaction with related Parties

Nature of Transaction	₹ in lakhs					
	Associate Company					
	INI	PD	GHKL	EAI	GT FZE	FIPL
Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	Current (Prev) Year	
Investments made during the year	-	-	-	-	-	5.00
	(-)	(-)	(-)	(-)	(-)	(-)
Investments as at Year end	-	-	-	-	-	5.00
	(-)	(-)	(-)	(-)	(-)	(-)
Share Application Money paid by the Company during the year	-	-	-	-	-	8.19
	(-)	(-)	(-)	(-)	(-)	(-)
Share Application Money paid by the Company as at year end	-	-	-	-	-	8.19
	(-)	(-)	(-)	(-)	(-)	(-)
Loans given during the year	-	-	-	-	-	20.47
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Accrued	-	-	14.67	-	-	-
	(-)	(-)	(10.81)	(-)	(-)	(-)
Product and Service Income/Expenses(-)	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Outstanding balance as on Mar-31, 2010 (-) Cr	-	-	353.70	-	-	20.47
	(-)	(-)	(339.03)	(-)	(-)	(-)
Share Application Money (received) As at year end						
- Pankaj Kumar	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- Kiran Kulkarni	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Loans given during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Interest Accrued	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Product and Service Income/ Expenses	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Outstanding balance as on 31-Mar-10	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration						
- Pankaj Kumar	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- Kiran Kulkarni	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- Prashant Mulekar	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

7. Earnings per Share:

Particulars	₹ in lakhs	
	2009-10	2008-09
(a) Profit for the year after tax	16,782.38	17,766.59
Add / (Less): Prior period adjustments	1.08	(952.11)
(Less): Prior period taxation	(93.16)	(34.37)
Add: Exceptional Income	797.97	2,360.94
Net Profit after tax for Equity Shareholders	17,488.28	19,141.05
Weighted Average number of equity shares outstanding	9,22,28,636	9,21,99,712
Basic Earnings per share (₹)	18.96	20.76
(b) Weighted Average No. of Equity Shares outstanding	9,22,28,636	9,21,99,712
Add: Effect of dilutive issue of stock options and warrants	4,79,918	1,66,856
Considered for diluted EPS	9,27,08,555	9,23,66,568
Diluted Earnings Per Share (₹)	18.86	20.72
Face Value per Share (₹)	2.00	2.00

NOTES ON ACCOUNTS

8. Employees Stock Option Plan 2002:

The company provided share based payment schemes to its employees.

During the year ended March 31, 2010 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-Aug-02	5-Jan-04	10-Feb-05	31-Mar-06	28-Jul-06	23-Nov-06	9-Apr-07	24-Sept-07	05-May-08	28-Apr-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							
Vesting Period	One year	One year	One year							
Exercise Period	Ten years	Ten years	Ten years							

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

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	No. of Shares	Weighted Average Exercise Price (₹)	No. of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	3,328,130	150.27	2,801,405	165.95
Options granted	500,000	73.90	700,000	204.60
Exercised during the year	28,825	85.40	62,035	91.27
No of Options Lapsed	166,590	135.08	111,240	133.13
Outstanding at the end of the year	3,632,715	140.97	3,328,130	150.27
Exercisable at the end of the year	3,132,715		2,628,139	
Weighted average remaining contractual life (in months)	91.80		39.05	
Weighted average fair value of the options granted	156.98		152.60	

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

Year End	Range of Exercise Price (₹)	No. of options outstanding	Weighted average remaining contractual life (in months)	Weighted Average exercise price (₹)
31 Mar 10	₹26.81 – ₹ 210.05	3,632,715	91.80	140.97
31 Mar 09	₹26.81 – ₹ 210.05	3,328,130	39.05	150.27

NOTES ON ACCOUNTS

9. Subsidiary Companies / Acquisition of Companies:

During the year the Company invested ₹ 8,722.80 lakhs (P.Y. ₹ 36,870.60 lakhs) towards 19,000,000 (P.Y. 76,265,100) shares of US\$ 1 each in Geodesic Holdings Limited, Mauritius. The investment will be utilised for streamlining the Company's stake in foreign subsidiaries for better integration, smoother flow of information and creating a strong base for future business growth.

The Company has formed a subsidiary, Geodesic Technology FZE through its 100% subsidiary Geodesic Holdings Ltd, Mauritius.

The entire shareholding in the Hong Kong subsidiary Geodesic (Hong Kong) Ltd. was transferred to Geodesic Holdings Limited at cost during the year amounting to ₹405.97 lakhs.

A sum of ₹ 14.67 lakhs (P.Y. ₹ 10.81 lakhs) has been accrued towards interest receivable from Geodesic (Hong Kong) Ltd., Hong Kong, a 100% subsidiary of the Company which has been shown under "Loans and Advances" in Schedule 12 of the Accounts.

The Company had invested ₹ 3,021.96 lakhs in Geodesic Technology Solutions Limited a 100% subsidiary which is lying in Share Application which will be allotted during financial year 2010-11. As at the year end, closing balance of ₹ 5,662.02 lakhs (P.Y. ₹ 6,267.31 lakhs) net

The Company had applied for 35,07,525 rights shares of Chandamama India Limited in terms of the letter of offer dated 24th November, 2008 for the issue of 36,95,325 equity shares of ₹ 10 each at par in the ratio of 1 share for every two held. During the year, the Company has paid the final call money of ₹5.00 per share amounting to ₹ 175.38 lakhs. During the year, the Company also invested in 20,00,000 equity shares of ₹ 10 each on a preferential basis for an amount of ₹ 200 lakhs.

During the year the Company formed the following wholly owned subsidiaries in India:

- ITM Digital Private Limited (IDPL) with an investment of ₹ 99,990.
- Geodesic Gridpoint Energy Private Limited (GGEPL) with an investment of ₹ 99,990.

The investment in all subsidiaries, other than IDPL and GGEPL, including step down subsidiaries is disclosed separately pursuant to the provisions of Section 212 of The Companies Act, 1956. IDPL and GGEPL's first financial year will close on 31 March, 2011.

10. Share Application Money given towards allotment of equity shares:

The Company has paid share application money during the year to wholly owned subsidiaries as follows:

Name of Subsidiary	2009 - 10			2008 - 09			₹ in lakhs
	As on 1st April, 2009	Allotment During the year	As on 31st March, 2010	As on 1st April 2008	Allotment During the year	As on 31st March, 2009	
Geodesic Information Systems Inc, USA	-	-	-	953.52	(953.52)	-	
Geodesic Technology Solutions Ltd, Hong Kong	3,021.96	-	3,021.96	6,161.56	(3,139.60)	3,021.96	
Geodesic Information Systems AB, Sweden	-	-	-	3.34	(3.34)	-	
Chandamama India Ltd	5.10	5.10	-	-	175.38	5.10	
	3,027.06	5.10	3,021.96	7,123.46	(3,926.12)	3,027.06	

The Company has also paid ₹ 8.19 lakhs towards share application money to the Associate Company, Filmorbit.com India Private Limited.

11. Balances with Banks:

(A) Balances with non-scheduled Banks in Foreign Currency accounts:

Name of the Bank	₹ in lakhs	
	2009 - 10	2008 - 09
	Current A/c	Current A/c
Barclays Commercial Bank - UK	3.96	4.48
Citibank N.A., London	-	2,972.93
HSBC Pvt Bank (Jersey) Ltd	1,138.86	7,317.83
UBS AG, Singapore	8.23	9.78
ICICI Bank Ltd, UK Branch	0.08	0.08
Total ₹	1,151.13	10,305.10

NOTES ON ACCOUNTS

(B) Balances with Scheduled Banks in:

(i) Current Account

Name of the Bank	₹ in lakhs	
	2009-10	2008-09
ABN-Amro Bank	0.10	0.10
AXIS Bank Limited	88.93	3,846.74
AXIS Bank Limited	2.63	-
Axis Bank Limited, Bangalore	0.57	0.23
Axis Bank Limited, Roorkee	5.50	-
Bank Of India	0.94	0.25
Centurion Bank of Punjab	-	0.18
Citi Bank, N.A.	1.82	0.06
Corporation Bank Ltd	0.06	0.06
Corporation Bank Ltd	0.03	0.03
Corporation Bank Ltd	0.38	0.38
Corporation Bank Ltd	0.07	0.07
Corporation Bank Ltd	0.27	0.28
Deutsche Bank Limited	19.56	30.34
Development Bank Of Singapore	6.27	0.78
HDFC Bank Ltd	0.97	-
HDFC Bank Ltd	0.82	-
HDFC Bank Ltd	2.88	-
HDFC Bank Ltd	0.20	0.20
HDFC Bank Ltd	0.37	0.38
HDFC Bank Ltd	1.76	1.70
HDFC Bank Ltd	8.59	0.43
HDFC Bank Ltd, Bangalore	0.05	0.53
HDFC Bank Ltd, Bangalore	0.12	-
HDFC Bank Ltd, Roorkee	14.29	-
HSBC Bank Limited	1.95	0.87
HSBC Bank Limited	0.70	1.80
ICICI Bank Ltd	0.01	0.01
ICICI Bank Ltd	0.18	-
ICICI Bank Ltd	0.03	0.01
ICICI Bank Ltd	70.82	18.47
ICICI Bank Ltd	9.38	-
ICICI Bank, Bangalore	41.18	8.18
Oriental Bank of Commerce	0.13	0.13
Reliance Capital Asset Mgmt Ltd	0.03	0.02
Societe Generale de Paris	-	0.19
Standard Chartered Bank	11,284.99	0.02
Standard Chartered Bank	0.19	0.19
Standard Chartered Bank	0.17	-
Union Bank Of India	1.77	0.14
UTI Bank Ltd	-	2.36
Yes Bank Ltd	0.43	-
Total	11,569.14	3,915.13

(ii) Short Term Fixed Deposit Accounts

Name of the Bank	₹ in lakhs	
	2009-10	2008-09
AXIS Bank Limited	3,525.98	4,234.18
Deutsche Bank Limited	3,000.00	8,003.37
Union Bank Of India Limited	8.95	9.95
Barclays Bank PLC	-	1,595.58
HDFC Bank Limited	2.68	-
Total	6,537.61	13,843.08

NOTES ON ACCOUNTS

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:

		₹ in lakhs	
	Particulars	As at 31st March, 2010	As at 31st March, 2009
1	Employment and Retirement Benefits		
(a)	Post employment Benefits		
	Defined contribution plans		
	Company's contribution to Provident Fund	121.99	97.71
(b)	Defined benefit scheme		
	Obligation at period beginning	64.79	42.64
	Service Cost	18.16	12.71
	Interest Cost	6.06	4.04
	Actuarial (gain) / loss	0.90	15.10
	Benefits Paid	(9.41)	(9.70)
	Amendment in benefit plans	-	-
	Obligation at period end Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company	80.52	64.80
	Change in plan assets		
	Plan assets at period beginning, at fair value	62.04	42.19
	Expected return on plan assets	6.24	5.00
	Actuarial gain / (loss)	(0.56)	(0.72)
	Contributions	20.74	25.28
	Benefits Paid	(9.41)	(9.70)
	Plan assets at period end, at fair value	79.06	62.04
	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	80.52	62.04
	Present value of the defined benefit obligations at the end of the period	79.06	64.80
	(Asset) / Liability recognized in the balance sheet	(1.45)	(2.75)
	Assumptions		
	Interest Rate	8%	9%
	Estimated rate of return on plan assets	8%	8%
(c)	Gratuity cost for the period		
	Service Cost	18.16	12.71
	Interest Cost	6.06	4.04
	Expected return on plan assets	(6.24)	(5.00)
	Actuarial (gain) / loss	1.46	15.82
	Amortizations (Reduction in benefit)	-	-
	Net gratuity cost	19.44	27.58
	Interest Rate	8%	9%
	Estimated rate of return on plan assets Salary Growth	8%	8%
(d)	Defined benefit scheme		
	Leave Encashment		
	Obligation at period beginning	36.86	26.24
	Service Cost	14.20	9.87
	Interest Cost	3.75	2.89
	Actuarial (gain) / loss	(3.21)	(2.13)
	Benefits Paid	(5.28)	-
	Amendment in benefit plans	-	-
	Obligation at period end	46.32	36.86
	Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		

NOTES ON ACCOUNTS

12. Retirement Benefits: (Continued)

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	₹ in lakhs	
	As at 31st March, 2010	As at 31st March, 2009
Change in plan assets		
Plan assets at period beginning, at fair value	35.51	-
Expected return on plan assets	3.96	-
Actuarial gain / (loss)	(0.60)	(0.66)
Contributions	16.59	34.85
Benefits Paid	(9.41)	(9.70)
Plan assets at period end, at fair value	79.06	62.04
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	46.32	35.50
Present value of the defined benefit obligations at the end of the period	50.18	36.86
(Asset) / Liability recognized in the balance sheet	3.86	(1.36)
Assumptions		
Interest Rate	0.09	0.09
Estimated rate of return on plan assets	0.08	0.08
(e) Leave Encashment Cost for the period		
Service Cost	14.20	9.87
Interest Cost	3.75	2.89
Expected return on plan assets	(3.96)	-
Actuarial (gain) / loss	(2.62)	(2.79)
Amortizations (Reduction in benefit)	-	-
Net leave encashment cost	11.38	9.97
Interest Rate	8%	9%
Estimated rate of return on plan assets Salary Growth	8%	8%

13. Prior Period Adjustments represent:

Description	₹ in lakhs	
	2009 - 10	2008 - 09
MVAT	--	829.51
Service Tax	0.60	155.90
Gratuity	(0.19)	--
Amortisation of Goodwill	--	(43.46)
Other Miscellaneous Expenses	(1.51)	10.16
Total	(1.10)	949.11

14. Auditors' Remuneration:

Description	₹ in lakhs	
	2009 - 10	2008 - 09
Audit Fees	11.03	10.00
Tax Audit Fees	1.65	1.50
Other matters	3.53	3.50

15. Earnings in Foreign Currency:

Description	₹ in lakhs	
	2009 - 10	2008 - 09
Product and Service Income	47,932.10	48,524.09

NOTES ON ACCOUNTS

16. Expenditure in Foreign Currency:

Description	₹ in lakhs	
	2009 - 10	2008 - 09
Travelling Expenses	2.06	4.27
Import of Hardware/Software (capitalized)	33.26	75.52
Professional Fees	25.95	5.38
Others	82.61	104.79
Total	143.88	189.96

17. Un-hedged Foreign Currency Exposures:

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

Amount receivable as at March 31, 2010 in foreign currency on account of the following:

	2009 - 10		2008 - 09	
	₹ in lakhs	Value in foreign currency	₹ in lakhs	Value in foreign currency
Product and Service Income	35,316.86	USD 1,26,46,885.21	31,772.66	USD 62,360,474
Investment in Foreign Companies				
Geodesic Hong Kong Ltd	--	--	405.98	USD 896,359
Geodesic Tech Soln Ltd	3,139.36	HKD 50,000,000.00	3,139.36	HKD 50,000,000
Geodesic Holdings Ltd	45,593.40	USD 95,265,100.00	36,871.81	USD 76,265,100

18. 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 Schedule 20.

Particulars	₹ in lakhs	
	2009 - 10	2008 - 09
Not later than one year	114.76	102.99
Later than one year but not later than 5 years	233.65	179.15
Later than 5 years but not later than 15 years	130.02	131.22

19. 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.

20. The production of software is not capable of being expressed in any generic unit and hence, it is not possible to give the information as required by certain clauses of paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956. Also, as the activities of the Company do not require industrial licensing, the figures for licensed capacity are not given.

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

For Borkar & Muzumdar
Chartered Accountants

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

For and on behalf of the Board of Directors of

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

BALANCE SHEET ABSTRACT

Additional Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956.

		₹ (in lacs)
I.	Registration Details	
	Registration No.	027751
	Balance Sheet Date	31.03.2010
II.	Capital Raised During The Year	
	Public Issue (Issue through the prospectus)	Nil
	Right Issue	Nil
	Bonus Issue	Nil
	Increase in Preference Share Capital	Nil
	Private Placement (including ESOP & conversion of warrants)	0.58
III.	Position of Mobilisation and Development of Funds	
	Total Liabilities	144,903.53
	Total Assets	144,903.53
	Source of Funds	
	Paid - up Capital	1,844.88
	Share Application Money	-
	Reserves & Surplus	75,191.22
	Secured Loans	1.40
	Unsecured Loans	58,691.59
	Deferred Tax Liabilities	-
	Application of Funds	
	Net Fixed Assets	5,986.00
	Capital WIP	8,493.92
	Investments	51,399.83
	Deferred Tax Assets	169.58
	Net Current Assets	68,886.20
	Miscellaneous Expenditure	793.58
IV.	Performance of Company	
	Turnover	50,323.43
	Total Expenditure	33,730.35
	Profit Before Tax	16,593.08
	Profit After Tax and Exceptional Item	17,488.30
	Earning per share	18.96
	Equity Dividend Rate % *	87.50
	* (Includes 37.5% Interim Dividend)	
V.	Generic Name of Principal Product of Company (As per Monetary terms)	
	Item Code No.	8,524.90
	Product Description	
	Software Development, Consultancy & on-line trading	

MUMBAI

Date : 27th August, 2010

For and on behalf of the Board of Directors

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

AUDITORS' REPORT

TO THE MEMBERS OF GEODESIC LIMITED

1. We have audited the attached consolidated Balance Sheet of GEODESIC LIMITED and its subsidiaries ("the Group") as on 31st March 2010 and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financials statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit Financial Statements of Company's subsidiaries in Mauritius and Hong Kong and the two Indian subsidiaries formed in January 2010 which reflect aggregate assets of ₹ 107612.42 lakhs as at 31st March, 2010 and aggregate revenue of ₹ 14348.70 lakhs for the year then ended. Financial Statements of the Mauritian and Hongkong subsidiaries have been audited 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 report of those Auditors. Financial Statements of the newly formed subsidiaries have been reviewed by us.

4. We report that the Consolidated Financial Statements have been prepared by the management in accordance with the requirements of the Accounting Standards (AS) 21 on Consolidated Financials Statements issued by the Institute of Chartered Accountants of India and audited Financials Statements of the Company and its subsidiaries in Mauritius and Hong Kong.

5. On the basis of the information and explanations given to us and on consideration of separate audit/review reports on individual audited Financial Statements of the subsidiaries, we are of the opinion that:

- i. The consolidated Balance Sheet, gives true and fair view of the consolidated state of affairs of the Group as at 31st March, 2010 and;
- ii. The consolidated Profit and Loss Account gives a true and fair view of the consolidated result of operation of the Group for the year ended on that date.
- iii. The consolidated Cash Flow Statement gives true and fair view of the consolidated cash flow 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: 27th August, 2010

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SOURCES OF FUNDS			
Shareholders Funds:			
Share Capital	1	1,844.88	1,844.30
Reserves & Surplus	2	90,065.35	67,611.26
Minority Interest		52.62	10.00
Loan Funds :			
Secured Loans	3	37.13	208.81
Unsecured Loans	4	58,691.59	64,096.18
Deferred Tax Liability (Net)	5	-	22.17
		1,50,691.57	1,33,792.72
APPLICATION OF FUNDS			
Goodwill on consolidation (Refer Note 2-b of Sch. 23)		1,173.47	1,567.59
Fixed Assets :			
	6		
Gross Block		31,749.28	27,209.06
Less: Accumulated Depreciation / Amortization		14,906.65	12,793.19
Net Block		16,842.63	14,415.87
Capital Work in Progress		8,493.92	7,394.39
		25,336.55	21,810.26
Investments	7	31,578.88	16,469.89
Deferred Tax Assets	8	169.36	-
Current Assets, Loans and Advances :			
Sundry Debtors	9	20,990.92	30,019.55
Inventory	10	412.01	45.42
Cash and Bank Balance	11	56,933.38	54,835.07
Loans & Advances	12	29,593.28	18,608.29
Share Application towards allotment of Equity shares (Refer Note 2-h of Sch. 23)		8.19	-
		107,937.78	103,508.33
Less: Current Liabilities and Provisions :			
Current Liabilities	13	12,027.12	6,397.07
Provisions	14	4,275.92	4,301.41
Net Current Assets		91,634.74	92,809.85
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	798.57	1,135.13
		1,50,691.57	1,33,792.72
Notes to Accounts	23		

The Schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet.

As per our report on even date

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule	31-Mar-2010	31-Mar-2009
		₹ in lacs	₹ in lacs
Income from Operations	16	63,736.15	65,299.79
Increase in Stock of Finished Goods		24.29	14.56
Other Income	17	1,244.94	1,388.92
		65,005.38	66,703.27
EXPENDITURE:			
Operational Expenses	18	20,052.12	19,665.16
Consumption of paper	19	65.50	135.06
Employees Costs	20	2,620.56	2,405.87
Other Administrative Expenses	21	8,323.85	7,754.54
Finance Cost	22	4,051.34	4,194.06
Depreciation / Amortization	6	8,015.30	5,407.56
Miscellaneous Expenditure written off	15	342.53	341.92
		43,471.20	39,904.17
Net Profit Before Taxes		21,534.18	26,799.10
Less: Taxation Expense:			
- Current Tax		0.76	1,521.02
- Fringe Benefit Tax		-	35.48
- Deferred Tax (Credit) / Charge		(189.30)	199.20
Net Profit after Tax		21,722.72	25,043.40
Less: Prior Period (Income)/Expenditure (Refer Note 2-k of Schedule 23)		66.33	949.95
Less: Prior Period Taxation		93.16	34.37
Profit for the year (before adjustment of Minority Interest)		21,563.23	24,059.08
Minority Interest		(8.88)	(14.38)
Add: Exceptional Income (See Note 2-f of Schedule 23)		797.97	2,360.94
Net Profit after Exceptional Income		22,370.08	26,434.40
Balance brought forward		50,275.89	26,619.38
Minority Interest balance brought forward		(21.79)	-
Less: Loss of investment in subsidiaries transferred to Geodesic Holdings Ltd.		(378.53)	(863.92)
Profit available for appropriation		73,002.71	53,917.70
Appropriations			
Less: Interim Dividend paid		691.83	737.73
Less: Corporate Tax on Interim Dividend		117.58	125.37
Less: Short Provision made for Final Dividend FY 2007-08		-	0.21
Less: Short Provision made for tax on Final Dividend FY 2007-08		-	0.02
Less: Proposed Equity Dividend		922.44	737.72
Less: Tax on Proposed Equity Dividend		152.46	125.37
Less: Transfer to General Reserve		1,748.90	1,915.39
Profit carried to Balance Sheet		69,369.51	50,275.89
Notes to Accounts	23		
Earnings per share			
Basic Earnings per Equity share		24.25	26.67
Diluted Earnings per Equity share		24.12	26.62
Nominal Value per Equity Share		2.00	2.00

The Schedules referred to above and Notes to Accounts form an integral part of the Profit and Loss Account.

As per our report on even date

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009 - 10	2009 - 10
	₹ in lacs	₹ in lacs
A Cash flow From Operating Activites:		
Net Profit before Tax and prior period adjustments	21,534.18	26,799.10
Adjustment for		
- Depreciation /Amortisation	8,015.30	5,407.56
- Prior Period Adjustments / Taxation	(159.49)	(984.32)
- (Increase) / Decrease in stock of finished goods	(24.29)	(14.56)
- Miscellaneous Expenditure written off	342.53	341.92
- Loss / (Profit) on Forward Contracts	2,940.40	1,511.92
- Loss / (Profit) on sale of Fixed Assets (Net)	1.72	0.73
- (Profit) / Loss on sale of current investments (Net)	(114.79)	(79.63)
- Loss / (Profit) from PMS Investments	-	48.36
- Foreign Exchange (Gain) / Loss (Net)	(307.26)	712.79
- Dividend Income	(41.42)	(50.47)
- Interest Income	(702.56)	(2,005.22)
- Interest Expenses	3,779.71	3,712.51
- Bad Debts written off	15.66	221.41
- Balances written off / Advances written off (net)	28.97	317.73
- Investments written off / Diminution in value of investments	-	75.15
Operating Profit before Working Capital Changes	35,308.66	36,014.98
Movements in working capital :		
Decrease / (Increase) in sundry debtors	9,053.08	(19,591.10)
Decrease / (Increase) in loans & advances	(7,266.46)	(6,627.68)
(Decrease) / Increase in provision for leave encashment and gratuity	(41.87)	(16.48)
Decrease / (Increase) in inventory	(366.59)	(42.60)
(Decrease) / Increase in current liabilities	5,630.05	2,904.89
Cash Generated From Operation	42,316.87	12,642.01
Direct Tax Paid (net of refunds)	(433.83)	(1,427.01)
Net Cash from / (used in) Operating Activities	41,883.04	11,215.00
B Cash flow From Investing Activites:		
- Purchase of Fixed Assets	(10,298.01)	(12,628.44)
- Sale of Fixed Assets	0.05	(0.73)
- (Purchase) / Sale of Current Investment (Net)	(15,108.99)	(15,005.62)
- Share application money transferred to equity / (paid)	(8.19)	-
- Effect of cross currency exchange rates on consolidation	(1,503.87)	(3,989.90)
- Repayment of Loan from Director	17.32	-
- Intercompany Deposits given	(3,538.54)	(2,542.16)
- Profit on Sale / maturity of Investments	114.79	78.27
- Interest Received	103.19	687.65
- Dividend Received	6.28	13.31
- (Loss) / Profit on Forward Contracts	(2,940.40)	(1,511.92)
Net Cash from / (used in) Investing Activities	(33,156.37)	(34,899.54)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009 - 10 ₹ in lacs	2009 - 10 ₹ in lacs
C Cash flow From Financial Activites:		
- Proceeds from issue of share capital	24.62	56.62
- Share Issue Expenses	(0.98)	(1.42)
- Profit on buy back of FCCB	797.97	2,360.94
- (Decrease) / Increase in FCCB liability	(5,404.59)	13,429.12
- Repayment of Share Application money	-	(168.00)
- Repayment of Long term Borrowings	(171.68)	196.61
- Dividend Paid	(1,429.55)	(737.94)
- Interest Paid	(201.21)	(97.53)
- Tax on Dividend paid	(242.95)	(125.39)
Net Cash from / (used in) Financial Activities	(6,628.36)	14,913.01
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	2,098.31	(8,771.53)
Cash and Cash Equivalents at the beginning of the year	54,835.07	63,606.60
Cash and Cash Equivalents at the end of the year	56,933.38	54,835.07
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	3.21	2.23
With Banks : in current account	22,472.62	31,136.70
in fixed deposit	34,457.55	23,696.14
	56,933.38	54,835.07

As per our report on even date

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars		As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 1:			
Share Capital			
Authorised:			
15,00,00,000 (P.Y. 15,00,00,000) Equity Shares of ₹ 2 each		3,000.00	3,000.00
50,00,000 (P.Y. 50,00,000) Preference Shares of ₹ 10 each		500.00	500.00
		3,500.00	3,500.00
Issued , Subscribed & Paid Up			
9,22,43,799 (P.Y. 9,22,14,974) Equity Shares of ₹ 2 each fully paid up		1,844.88	1,844.30
		1,844.88	1,844.30
SCHEDULE 2:			
Reserves & Surplus			
Securities Premium Account			
Balance as per last Balance Sheet	16,491.48		16,436.10
Add: Increase during the year (Refer Note 2-e of Sch.23)	24.04		55.38
		16,515.52	16,491.48
Share Forfeiture Reserve Account			
		0.01	-
General Reserve			
Balance as per last Balance Sheet	3,921.36		2,006.32
Add: Transferred from Profit & Loss Account	1,748.90		1,915.39
		5,670.26	3,921.71
Balance in Profit & Loss Account			
Add : Pre - acquisition profit of subsidiaries	69,391.30		50,275.89
	861.91		842.52
		70,253.21	51,118.41
Fair Value Reserve		42.82	-
Foreign Currency Translation Reserve		(2,416.47)	(3,920.34)
TOTAL		90,065.35	67,611.26
SCHEDULE 3:			
Secured Loans			
Kotak Mahindra Prime Limited		1.40	3.04
(Secured against hypothecation of cars)			
Loans repayable within one year ₹ 1.40 lacs (P.Y. ₹ 1.64 lacs)			
ICICI Bank Limited		-	1.29
(Secured against hypothecation of cars)			
Loans repayable within one year ₹ Nil (P.Y. ₹ 1.29 lacs)			
HDFC Bank Limited		35.73	-
(overdraft secured against hypothecation of stocks, book debts and machinery)			
Axis Bank Limited - OD A/c No. 82		-	204.48
(Secured against fixed deposits of Geodesic Limited)			
TOTAL		37.13	208.81
SCHEDULE 4:			
Unsecured Loan			
Zero Coupon Convertible Bonds [including interest accrued but not due ₹ 7457.69 lacs (P.Y. ₹ 4735.97 lacs)] (Refer Note 2-f of Schedule 23)		58,691.59	64,092.72
Loan from others		-	3.46
		58,691.59	64,096.18
SCHEDULE 5:			
Deferred Tax Liability (Net):			
- Deferred tax liability		-	2.46
- Provision for doubtful debt			
- Difference due to disallowances under Section 40A of Income Tax Act, 1961		-	(8.31)
- Difference due to disallowance under Section 43B of Income Tax Act, 1961		-	(0.88)
- Difference due to book and tax depreciation		-	28.90
TOTAL		-	22.17

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE-6

Fixed Assets

Description	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At 1-Apr-2009 ₹ in lacs	Additions During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2010 ₹ in lacs	As At 1-Apr-2009 ₹ in lacs	During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2010 ₹ in lacs	As At 31-Mar-2009 ₹ in lacs
Tangible Assets :									
Plant & Machinery	-	11.44	-	11.44	-	5.24	-	5.24	-
Computers	4,498.17	5,462.06	2.00	9,958.23	1,332.61	1,893.76	0.82	3,225.55	3,165.56
Vehicles	72.21	-	4.20	68.01	56.08	7.74	3.52	60.30	16.13
Leasehold Improvements - Chandamama	11.06	-	-	11.06	0.40	-	-	0.40	10.66
Leasehold Improvements - Roorkee	-	0.85	-	0.85	-	0.11	-	0.11	-
Leasehold Improvements - B'lore	202.19	-	-	202.19	58.21	46.50	-	104.71	143.98
Leasehold Improvements - Mumbai	437.95	19.76	-	457.71	16.18	30.10	-	46.28	421.77
Furniture & Fixtures	138.96	1.29	-	140.25	72.36	12.40	-	84.76	66.60
Office Equipment	190.96	24.68	1.10	214.54	42.72	21.74	0.51	63.95	148.24
Total	5,551.50	5,520.08	7.30	11,064.28	1,578.56	2,017.59	4.85	3,591.30	3,972.94
Intangible Assets :									
Internally Generated Software	7,951.54	1,853.07	5,903.28	3,901.33	4,141.92	3,016.46	5,903.28	1,255.10	3,809.62
Testing & Tooling Software	4,760.66	2,172.30	-	6,932.96	3,998.41	501.76	-	4,500.17	762.25
Other Software	430.06	135.45	-	565.51	171.30	148.14	-	319.44	258.76
Patent & IPR	1,608.48	0.85	-	1,609.33	1.35	0.88	-	2.23	1,607.13
Goodwill	6,900.62	775.25	-	7,675.87	2,895.38	2,343.03	-	5,238.41	4,005.24
Total	21,651.36	4,936.92	5,903.28	20,685.00	11,208.36	6,010.27	5,903.28	11,315.35	10,443.00
Transfer to CWIP *	-	-	-	-	-	12.56	-	-	-
Current Year Total	27,202.86	10,457.00	5,910.58	31,749.28	12,786.92	8,015.30	5,908.13	14,906.65	14,415.94
CWIP	7,394.39	4,465.38	3,365.85	8,493.92	-	-	-	-	8,493.92
Current Year Grand Total	34,597.25	14,922.38	9,276.43	40,243.20	12,786.92	8,015.30	5,908.13	14,906.65	21,810.33
Previous Year	16,279.33	11,078.35	148.62	27,209.06	7,437.82	5,407.56	59.41	12,793.19	15,405.43

* Proportionate depreciation on assets used for development of new products has been transferred to Capital Work in Progress (CWIP)

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010	As at 31-Mar-2009
	₹ in lacs	₹ in lacs
SCHEDULE 7:		
Investments		
Long Term (at cost)		
(A) In Equity Shares-Quoted		
997 (P.Y. 997) equity shares of Indraprastha Gas Ltd. of ₹10 each paid up	1.00	1.00
244,238 (P.Y. 244,238) Equity Shares of Subex Systems Ltd. of ₹10 each paid up	346.93	346.93
(B) In Equity Shares - Unquoted		
49,999 (P.Y. Nil) shares in Filmorbit.Com India Pvt Ltd of ₹ 10 each paid up	5.00	-
Other Investments-Non Trade		
Current Investments (at lower of cost and market value)		
(A) Overseas Investment - unquoted		
Arrowpoint Technologies Limited	266.84	-
Capital Protection Scheme of ADG Fund Ltd.	30,578.99	15,748.32
Stock (Publicidad Digital SA shares)	22.57	22.93
(B) In Mutual Funds- unquoted		
GROWTH FUNDS :		
DSP Merrill Lynch Equity Fund - Regular Growth 3,15,548.58 (P.Y. 3,15,548.58) units, face value ₹ 10	24.19	24.19
IL&FS Investmart Securities Ltd - I Growth - ELD Nil (P.Y. 25) units, face value ₹ 100000	-	25.00
Reliance Growth Fund - Growth Option 2,669.172 (P.Y. 2,669.172) units, Face Value ₹ 100	5.53	5.53
Reliance Natural Resources Fund - Growth Plan - Growth Option 977,995.110 (P.Y. 977,995.110) Units, Face value ₹ 10	60.15	60.15
LICMF Savings Plus Fund - Growth Plan 174,167.479 (P.Y. Nil) Units, Face value ₹ 10	25.00	-
BMF Gold Bees NFO 1,041.72 (P.Y. 1,041.72) units, Face value ₹ 1000	9.88	9.88
INCOME FUNDS:		
Sundaram BNP Paribas Fixed Term Plan - J Nil (P.Y. 100,000) units, face value ₹ 10	-	10.37
DWS Insta Cash Plus Fund - Super Institutional - Plan Daily Dividend 4,157.048 (P.Y. Nil) units, Face Value ₹ 10	0.42	-
HDFC Equity Fund - Dividend Option 36,677.083 (P.Y. 33,552.105) Units, Face value ₹ 10	8.67	7.33
JM Advantage Arbitrage Fund-Dividend Plan 640,511.753 (P.Y. 616,290.128) units, Face Value ₹ 10	64.21	61.78
Sundaram BNP Paribas Entertainment Opportunity - Div 252,593.132 (P.Y. 200,000) units, face value ₹ 10	26.32	20.00

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010	As at 31-Mar-2009
	₹ in lacs	₹ in lacs
SCHEDULE 7: (Continued)		
TATA Equity Management Fund 5,00,000 (P.Y. 5,00,000) units, Face Value ₹ 10	35.22	35.22
UTI Master Index Fund 23,655.146 (P.Y. 23,655.146) units, Face Value ₹10	7.09	7.09
Sundaram BNP Paribas Ultra ST Fund Retail -Daily Div 100,837.010 (P.Y. Nil) units, Face Value ₹ 10	10.12	-
National Savings Certificate	0.03	0.03
# Reliance Capital Asset Management Company (PMS)	80.72	84.14
TOTAL	31,578.88	16,469.89
# Represents amount lying with Reliance Capital Asset Management Company for investing on behalf of the Company in various segments of the stock market		
Aggregate amount of unquoted investments	31,230.95	16,121.96
Aggregate amount of quoted investments	347.93	347.93
Market value of quoted investments	149.32	56.53
SCHEDULE 8:		
Deferred Tax Asset (Net):		
Deferred Tax Asset		
-Difference due to book and tax depreciation	139.73	-
-Difference due to book and tax depreciation for tax holiday period	29.67	-
-Difference due to disallowance under Section 43B of Income Tax Act, 1961	(0.04)	-
TOTAL	169.36	-
SCHEDULE 9:		
Current Assets, Loans and Advances :		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
Considered Good	11,990.35	2,379.81
Considered Doubtful	7.83	34.20
	11,998.18	2,414.01
Other Debts-considered good	8,992.74	27,629.99
	20,990.92	30,044.00
Less: Provision for Doubtful Debts	-	24.45
TOTAL	20,990.92	30,019.55

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Details of Investments Purchased and Sold during the year 2009-10

Particulars	No. of Units	Face Value ₹	Purchase Cost ₹ in lacs
Growth Funds			
DWS Mondey Plus Fund - Growth Plan	4,945,060.3790	10.0000	500.00
LICMF Liquid Fund - Growth Plan	1,373,508.9800	10.0000	225.00
Reliance Liquidity Fund - Growth Option	7,464,023.4070	10.0000	1,000.00
Income Funds			
Liquid Funds:			
Canara Robeco Loquid Super Institutional - Daily Dividend - Reinvest Fund	4,979,583.7068	10.0000	500.00
DWS Insta Cash Plus Fund Super Institutional - Daily Dividend	6,978,784.4950	10.0000	700.00
Fortis Overnight Fund - Institutional Plan Daily Dividend	1,999,400.1800	10.0000	200.00
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend - Option Reinvestment	1,993,719.7830	10.0000	200.00
Kotak Liquid Institutional Premium - Daily Dividend	4,088,942.6812	10.0000	500.00
LICMF Liquid Fund - Dividend Plan	17,486,179.5420	10.0000	1,920.00
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend	4,999,000.2000	10.0000	500.00
ICICI Prudential Institutional Liquid Super Institutional - Dividend - Daily	99,978.0050	100.0000	100.00
Reliance Liquidity Fund - Treasury Plan - Institutional Ontion - Daily Dividend Option	3,270,710.1370	10.0000	500.00
Sundaram BNP Paribas Money Fund Inst - Daily Dividend	1,981,119.9270	10.0000	200.00
Particulars		As at 31-Mar-2010	As at 31-Mar-2009
		₹ in lacs	₹ in lacs
SCHEDULE 10 :			
Inventory			
Closing Stock of Finished Goods			
GeoAmida (valued at lower of cost or market value)		21.05	-
Raw Material (valued at cost)		1.28	-
Work in Progress - GeoAmida (valued at cost)		361.40	-
Newsprint - printing paper		10.48	3.94
Stock of books		15.76	12.85
Stock of unsold copies of magazines		2.04	1.71
Others		-	26.92
TOTAL		412.01	45.42
SCHEDULE 11 :			
Cash and Bank Balances			
Cash in Hand		3.21	2.23
Balance with Scheduled Banks :			
In Current A/c		11,572.44	3,921.47
In Fixed Deposits*		6,537.96	13,843.08
Balance with Non-Scheduled Banks in Foreign Currency:			
In Current A/c **		10,900.18	27,215.23
In Fixed Deposits**		27,919.59	9,853.06
TOTAL		56,933.38	54,835.07
* Includes ₹ 35.95 lacs (P.Y. ₹ 12.64 lacs) pledged in favour of banks as margin money against guarantee given by the Bank			
** Refer Note 2-i of Schedule 23 for details of balances in non-scheduled banks in foreign currency, balances in current and deposit account with scheduled banks			
SCHEDULE 12 :			
Loans and Advances			
Unsecured - Considered Good			
Interest Receivable on Bank Deposits		26.60	106.35
Advance recoverable in cash or in kind or for value to be received		18,280.72	10,747.08
Advances to Directors		-	17.32
Inter Corporate Deposits		7,736.83	4,198.29
Leave Encashment Fund (net of provision)		3.86	-
Advance Tax		3,384.11	3,186.80
Sundry Deposits		159.89	351.67
Other Receivable - VAT input credit		1.27	0.78
TOTAL		29,593.28	18,608.29

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 13 :		
Current Liabilities		
Sundry Creditors	4,734.65	5,090.56
Trade deposits from agents	21.54	-
Subscriptions	24.23	-
Sundry Creditors for Expenses	108.61	201.79
Liabilities for Expenses	159.67	424.23
Unclaimed Dividend	7.99	3.27
Other Liabilities	6,970.43	677.22
TOTAL	12,027.12	6,397.07
SCHEDULE 14 :		
Provisions		
Proposed Equity Dividend	922.44	737.72
Provision for Tax	3,103.70	3,276.57
Provision for Gratuity (net of funds with LIC)	5.78	11.38
Provision for Leave Encashment	5.21	41.48
Provision for Fringe Benefit Tax [net of taxes paid ₹126.45 lacs (P.Y. ₹ 105.18 lacs)]	86.33	108.89
Provision for Corporate Dividend Tax	152.46	125.37
TOTAL	4,275.92	4,301.41
SCHEDULE 15 :		
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	4.99	0.28
Less: Written Off	-	0.28
	4.99	-
Share Issue Expenses	17.56	32.14
Add: During the Year	0.98	1.42
Less: Written off	7.96	16.01
	10.58	17.55
Deferred Revenue Expenditure	52.20	104.40
Less: Written off	52.20	52.20
	-	52.20
Merger Expenses	6.22	8.10
Less: Written off	3.32	1.88
	2.90	6.22
Bond Issue Expenses	1,059.15	1,337.20
Add: During the Year	-	1.00
Less: Written off	279.05	279.04
	780.10	1,059.16
Balance carried to Balance Sheet	798.57	1,135.13

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	As at 31-Mar-2010 ₹ in lacs	As at 31-Mar-2009 ₹ in lacs
SCHEDULE 16 :		
Income from Operations :		
Consultancy & Service Income	15,137.23	15,416.32
Product & Services Income	48,598.92	49,883.47
TOTAL	63,736.15	65,299.79
SCHEDULE 17 :		
Other Income :		
Interest Income		
Bank Deposits [TDS ₹ 21.32 lacs (P.Y. ₹ 49.91 lacs)]	146.88	864.12
Inter Corporate Deposit [TDS ₹ 59.00 lacs (P.Y. ₹ 254.39 lacs)]	555.32	1,141.45
Dividend Income on units of mutual funds and shares	41.42	50.47
Profit on sale of Current Investments	114.79	79.63
(Loss)/Income from PMS Investments	-	(48.36)
Sundry Receipts	77.21	14.40
Balances written back	1.82	-
Bad debts recovered	0.24	-
Foreign Exchange Gain / (Loss) (net)	307.26	(712.79)
TOTAL	1,244.91	1,388.92
SCHEDULE 18 :		
Operational Expenses :		
Software Development Expenses	19,538.09	18,990.31
Server Hosting Charges	113.39	112.95
Communication & Telephone Expenses	109.17	96.11
Electricity Charges	72.22	73.63
Radio Station Set up Charges	-	7.50
Legal & Professional Fees	44.67	-
Call Minutes Purchased	29.39	-
Direct expenses	145.19	384.66
TOTAL	20,052.12	19,665.16
SCHEDULE 19 :		
Consumption of Paper		
Newsprint - Imported & Indigenous:		
Opening stock	2.18	0.73
Add purchases	59.62	119.39
Closing stock	7.65	3.47
Newsprint Consumption	54.14	116.65
Cover paper - Indian Art Paper		
Opening stock	1.76	-
Add purchases	12.42	18.88
Closing stock	2.83	0.46
Cover paper consumption	11.36	18.41
TOTAL	65.50	135.06
SCHEDULE 20 :		
Employee Costs :		
Salary, Wages, Bonus and Allowances and Reimbursements	2,427.20	2,206.05
Contribution to Provident and Other Funds	108.22	101.45
Staff Welfare Expenses	85.14	98.37
TOTAL	2,620.56	2,405.87

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Year Ended	Year Ended
	31-Mar-2010	31-Mar-2009
	₹ in lacs	₹ in lacs
SCHEDULE 21 :		
Other Administrative Expenses :		
Rent / Hire Charges	132.95	201.63
Insurance Charges	17.68	17.03
Repairs & Maintenance - Others	68.70	47.34
Advertisement and Publicity Expenses	4,200.00	4,274.86
Travelling & Conveyance	169.13	256.18
Printing & Stationery	24.20	24.68
Legal and Professional Fees	301.59	374.35
Director's Sitting Fees	1.90	3.48
Director's Remuneration	86.80	103.01
Auditors Remuneration	27.00	23.54
Loss on Forward Contracts	2,940.40	1,511.92
Loss on Sale of tangible Fixed Assets	1.72	0.75
Balances written off / written back	30.79	317.73
Investments written off / Diminution in value of investments	-	75.15
Bad Debts written off	15.66	221.41
Freight outwards	17.54	21.46
Other selling expenses	18.23	19.04
Other Office Expenses	269.56	260.98
TOTAL	8,323.85	7,754.54
SCHEDULE 22 :		
Financial Expenses :		
Interest Charges	3,779.71	3,973.52
Other Finance Costs	271.63	220.54
TOTAL	4,051.34	4,194.06

NOTES ON ACCOUNTS

SCHEDULE 23:

Nature of Operations:

The Company is the creator of Mundu ICE Information, Communication and Entertainment Stack based on a universal Instant Messaging Platform. The Company continuously upgrades existing products and develops new products to keep ahead of the curve.

The production of software is not capable of being expressed in any generic unit and hence, it is not possible to give the information as required by certain clauses of paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956, except in case of one subsidiary namely Chandamama India Ltd. In case of the said subsidiary the information as required by certain clauses of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 is given in Notes in Para f. Overall activities of the Company as a whole do not require industrial licensing, the figures for licensed capacity are not given.

1. 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"). Unrealized profits, if any, resulting from intra group transactions including in carrying amount of assets are eliminated in full. Unrealized 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 movements in their share in the equity subsequent to the date of investments as stated above.

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 year for profit and loss items and at the closing rate as at the year end 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:

• Basis of Preparation of Financial Statements:

Financial Statements of the Company are prepared under the historical cost convention as per Generally Accepted Accounting Principals 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.

• 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 recognized in the period in which the results are known/ have materialized.

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 realization or collection. Software sale is accounted as and when the sale takes place.

• Product Sales

The Company recognises sale of hardware devices on shipment and acceptance of the delivery by 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 where the right to receive the same is established by the Balance Sheet Date.

• Other Income

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

• Post sales client support services

Revenue also includes cost of after sale support services.

(ii) The revenue recognition policy of Chandamama India Limited, the Indian subsidiary, engaged in the business of publication is as follows:

• 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 sales.

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

• Revenue from syndication is recognised when the work is performed.

NOTES ON ACCOUNTS

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

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. Cost comprises the purchase price and any cost attributable for bringing the asset to its present location and in working condition for its intended use.

ii. Intangible Assets

The costs related to development of new base softwares 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 /up-gradation of the existing software is charged to Profit and Loss Account in the year 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.

e. Depreciation:

Depreciation on 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 Straight Line method at 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 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)

		Lease Period
Leasehold Improvements	Straight Line	
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%

Chandamama India Limited

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

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.

Closing stock of finished goods of GeoAmida is valued at cost or net realizable value, whichever is lower. Cost is determined using First-in-First-Out method. Work in progress 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 subsequent external events.

h. Investments:

Investments that are intended to be held for a period 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 comprising investments in mutual funds 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:

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 realized / settled is recognized 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.

NOTES ON ACCOUNTS

Exchange differences on such contracts are recognised in the Profit and Loss Account in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

k. 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, in case of the Company and its Indian subsidiaries, 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 in case of the parent Company and its Indian Subsidiaries and in case of foreign subsidiaries, as per the relevant Tax Laws and Acts applicable in the respective countries. The tax effect of temporary differences between the book profit and taxable profit are reflected through Deferred Tax Asset / Deferred Tax Liability.

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 a 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 is eligible for 100% tax holiday under Section 10A of the Income Tax Act, 1961 until March 2011. 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 at their unit in Roorkee, 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.

No provision is considered necessary for taxation for the year since there is no taxable income under the normal provisions of the Income Tax Act. Further even the book profit is not liable to Minimum Alternate Tax as the same entirely arises from an undertaking in the Special Economic Zone (SEZ).

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 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 amortized over the vesting period of the option on a straight line basis.

q. 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 year 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.

NOTES ON ACCOUNTS

2. NOTES TO ACCOUNTS

a. 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 March 31	
		2010	2009
Geodesic Gridpoint Energy Private Limited	India	100.00	-
ITM Digital Private Limited	India	100.00	-
Geodesic Technology Solutions Ltd.	Hong Kong	100.00	100.00
Geodesic Holdings Limited	Mauritius	100.00	100.00
Chandamama India Limited	India	96.92	96.35
(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	-
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

b. Goodwill on Consolidation:

Goodwill on consolidation comprises of the following:

Name of the Subsidiary	₹ in lakhs	
	2009-10	2008-09
Geodesic (Hong Kong) Limited	--	595.03
Chandamama India Limited	1,173.47	972.56
TOTAL	1,173.47	1,567.59

c. 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	₹ in lakhs	
	2009-10	2008-09
India	1,110.68	1,333.93
Outside India	62,625.47	63,965.86
Segment Assets		
Region	₹ in lakhs	
	2009-10	2008-09
India (Assets excluding Export Customers)	1,46,003.69	1,19,326.21
Outside India (Export Customers)	20,990.92	25,327.34

The Company's operating facilities are located in India.

The total cost incurred during the year to acquire fixed assets within India is disclosed at Schedule 6. Segment revenue is based on geographical locations of customers and segment asset is based on geographical location of assets.

d. Contingent Liability (not provided for):

Sr.No.	Particulars	₹ in lakhs	
		2009-10	2008-09
1.	Outstanding bank guarantees	36.30	12.64
2.	Appeal pending with CIT Appeals VIII for AY 2005-06	6.93	-
3.	Appeal pending with CIT Appeals XXX for AY 2006-07	-	-
4.	Appeal pending with CIT Appeals XXX for AY 2007-08	0.53	-
5.	Appeal pending with CIT Appeals XXX for AY 2008-09	4.14	-
6.	Appeal pending with CIT Appeals XXX for AY 2009-10	7.26	-
7.	Third party Bank Guarantee given on behalf of Chandamama India Ltd	0.08	200.00
	Total	54.89	212.64

e. Share Capital:

Employees have exercised 28,825 (P.Y. 62,035) stock options during the year, which has resulted in an increase in Equity Share Capital by ₹0.58 lakhs (P.Y ₹ 1.24 lakhs) and Security Premium Account by ₹24.04 lakhs (P.Y. ₹ 55.38 lakhs).

f. Foreign Currency Convertible Bonds (FCCB):

The Company raised ₹ 49,962.50 lakhs 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, the Company has repurchased US\$ 8.50 Million face value of FCCB, 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\$ 113.50 million are outstanding. The Company may repurchase more of these bonds depending upon the market conditions.

As a result of the above buy back, the Company has made a profit of ₹ 676.36 lakhs (P.Y. ₹ 2,100.31 lakhs) and has also written back the provision for interest accrued but not due on the said buy back Bonds amounting to ₹121.61 lakhs (P.Y. ₹ 260.63 lakhs). Considering the nature of profit on account of buy back of Bonds and write back of the provision for interest, the same is shown as "Exceptional Income" on the face of the Profit and Loss Account.

The Bonds carry an yield of 6.60% per annum based on the same, interest of ₹ 3,677.44 lakhs (P.Y. ₹ 3,958.78 lakhs) has been provided in the accounts (refer Schedule 21 of the Balance Sheet).

NOTES ON ACCOUNTS

g. Related Party Disclosures:

(i) List of Related Parties

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

a. Key Managerial Personnel (KMP):

- Mr. Pankaj Kumar,
- Mr. Kiran Kulkarni,
- Mr. Prashant Mulekar,
- Mr. B.Viswanatha Reddi
- Mr. Tim Bruce.

b. Enterprise over which Key Management Personnel exercise significant influence:

- None

(ii) (a) Transactions with related parties:

Nature of Transaction	₹ in lakhs	
	Key Management Personnel	
	2009-10	2008-09
Managerial Remuneration		
- Pankaj Kumar	18.00	18.00
- Kiran Kulkarni	18.00	18.00
- Prashant Mulekar	18.00	18.00
- Tim Bruce	86.80	82.48

(b) Transactions with Related Party in Chandamama India Limited

Name of the Party	Relation	Nature of Transaction	₹ in lakhs	
			2009-10	2008-09
B. Viswanatha Reddi	Chairman	Salary	-	21.24
Sun Print Pack Solutions Pvt. Ltd.	Chairmans' Son is acting as a Director in the Company	Printing Charges	-	94.33
		Purchase Others	-	0.55
		Business Promotion (Printing charges for CCDO event)	-	0.34
		Labour charges (For CCDO event)	-	0.84
		Packing Material purchases and Packing charges	-	0.52
		Plate Making charges	-	1.98

h. The Company has paid an amount of ₹ 8.19 lakh (P.Y. Nil) towards share application money pending allotment to the associate company, Filmorbit.com India Private Limited.

i. Balances with Banks:

(A) Parent Company

(i) Balances with non-scheduled Banks in Foreign Currency account:

Name of the Bank	₹ in lakhs	
	Current Account	
	2009-10	2008-09
Barclays Commercial Bank - UK	3.96	4.48
Citibank N.A., London	-	2,972.93
HSBC Pvt Bank (Jersey) Ltd	1,138.86	7,317.83
UBS AG, Singapore	8.23	9.78
ICICI Bank Ltd, UK Branch	0.08	0.08
Total	1,151.13	10,305.10

NOTES ON ACCOUNTS

(ii) Balances with Scheduled Banks in:

(a) Current Account

Name of the Bank	₹ in lakhs	
	2009-10	2008-09
ABN-Amro Bank	0.10	0.10
AXIS Bank Limited	88.93	3,846.74
AXIS Bank Limited	2.63	-
Axis Bank Limited, Bangalore	0.57	0.23
Axis Bank Limited, Roorkee	5.50	-
Bank Of India	0.94	0.25
Centurion Bank of Punjab	-	0.18
Citi Bank, N.A.	1.82	0.06
Corporation Bank Ltd	0.06	0.06
Corporation Bank Ltd	0.03	0.03
Corporation Bank Ltd	0.38	0.38
Corporation Bank Ltd	0.07	0.07
Corporation Bank Ltd	0.27	0.28
Deutsche Bank Limited	19.56	30.34
Development Bank Of Singapore	6.27	0.78
HDFC Bank Ltd	0.97	-
HDFC Bank Ltd	0.82	-
HDFC Bank Ltd	2.88	-
HDFC Bank Ltd	0.20	0.20
HDFC Bank Ltd	0.37	0.38
HDFC Bank Ltd	1.76	1.70
HDFC Bank Ltd	8.59	0.43
HDFC Bank Ltd, Bangalore	0.05	0.53
HDFC Bank Ltd, Bangalore	0.12	-
HDFC Bank Ltd, Roorkee	14.29	-
HSBC Bank Limited	1.95	0.87
HSBC Bank Limited	0.70	1.80
ICICI Bank Ltd	0.01	0.01
ICICI Bank Ltd	0.18	-
ICICI Bank Ltd	0.03	0.01
ICICI Bank Ltd	70.82	18.47
ICICI Bank Ltd	9.38	-
ICICI Bank, Bangalore	41.18	8.18
Oriental Bank of Commerce	0.13	0.13
Reliance Capital Asset Mgmt Ltd	0.03	0.02
Societe Generale de Paris	-	0.19
Standard Chartered Bank	11,284.99	0.02
Standard Chartered Bank	0.19	0.19
Standard Chartered Bank	0.17	-
Union Bank Of India	1.77	0.14
UTI Bank Ltd	-	2.36
Yes Bank Ltd	0.43	-
Total	11,569.14	3,915.13

NOTES ON ACCOUNTS

(b) Short Term Fixed Deposit Accounts

Name of the Bank	₹ in lakhs	
	2009-10	2008-09
AXIS Bank Limited	3,525.98	4,234.18
Deutsche Bank Limited	3,000.00	8,003.37
Union Bank Of India Limited	8.95	9.95
Barclays Bank PLC	-	1,595.58
HDFC Bank Limited	2.68	-
Total	6,537.61	13,843.08

(B) Balances with Scheduled Banks of Chandamama India Limited are as follows:

Name of the Bank	₹ in lakhs	
	2009-10	2008-09
Axis Bank Ltd	0.25	5.22
Axis Bank Ltd	0.18	0.42
ICICI Bank Ltd	0.66	0.30
UTI Bank Ltd	-	0.02
UTI Bank Ltd	-	0.19
UTI Bank Ltd	-	0.10
Standard Chartered Bank Ltd	-	0.01
Deutsche Bank Ltd	0.20	-
Total	1.29	6.26

(C) Balance of subsidiaries with non-scheduled Banks in Foreign Currency in current accounts is ₹ 10,900.18 lakhs (P.Y. ₹ 27,251.23 lakhs) and in deposit accounts is ₹ 27,919.59 lakhs (P.Y. ₹ 9,853.06 lakhs).

NOTES ON ACCOUNTS

j. 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 lakhs	
	Particulars	As at 31st March, 2010	As at 31st March, 2009
1	Employment and Retirement Benefits		
(a)	Post employment Benefits		
	Defined contribution plans		
	Company's contribution to Provident Fund	129.43	106.07
(b)	Defined benefit scheme		
	Obligation at period beginning	73.42	47.96
	Service Cost	21.48	13.96
	Interest Cost	6.67	4.42
	Actuarial (gain) / loss	6.67	16.78
	Benefits Paid	(10.08)	(9.70)
	Amendment in benefit plans	-	-
	Obligation at period end Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company	98.16	73.43
	Change in plan assets		
	Plan assets at period beginning, at fair value	62.04	42.19
	Expected return on plan assets	6.24	5.00
	Actuarial gain / (loss)	(0.56)	(0.73)
	Contributions	20.74	25.28
	Benefits Paid	(9.41)	(9.70)
	Plan assets at period end, at fair value	79.06	62.04
	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	80.52	62.04
	Present value of the defined benefit obligations at the end of the period	79.06	64.80
	(Asset) / Liability recognized in the balance sheet	(1.45)	(2.75)
	Assumptions		
	Interest Rate	8%	9%
	Estimated rate of return on plan assets	8%	8%
(c)	Gratuity cost for the period		
	Service Cost	18.16	13.95
	Interest Cost	6.06	4.42
	Expected return on plan assets	(6.24)	(5.00)
	Actuarial (gain) / loss	1.46	17.50
	Amortizations (Reduction in benefit)	-	-
	Net gratuity cost	19.44	30.89
	Interest Rate	8%	9%
	Estimated rate of return on plan assets Salary Growth	8%	8%
(d)	Defined benefit scheme		
	Leave Encashment		
	Obligation at period beginning	36.86	26.24
	Service Cost	14.20	9.87
	Interest Cost	3.75	2.89
	Actuarial (gain) / loss	(3.21)	(2.13)
	Benefits Paid	(5.28)	-
	Amendment in benefit plans	-	-
	Obligation at period end	46.32	36.86
	Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		

NOTES ON ACCOUNTS

j. Retirement Benefits: (Continued)

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	₹ in lakhs	
	As at 31st March, 2010	As at 31st March, 2009
Change in plan assets		
Plan assets at period beginning, at fair value	35.51	-
Expected return on plan assets	3.96	-
Actuarial gain / (loss)	(0.60)	(0.66)
Contributions	16.59	34.85
Benefits Paid	(9.41)	(9.70)
Plan assets at period end, at fair value	79.06	62.04
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	46.32	35.50
Present value of the defined benefit obligations at the end of the period	50.18	36.86
(Asset) / Liability recognized in the balance sheet	3.86	(1.36)
Assumptions		
Interest Rate	8%	9%
Estimated rate of return on plan assets	8%	8%
(e) Leave Encashment Cost for the period		
Service Cost	14.20	9.87
Interest Cost	3.75	2.89
Expected return on plan assets	(3.96)	-
Actuarial (gain) / loss	(2.62)	(2.79)
Amortizations (Reduction in benefit)	-	-
Net leave encashment cost	11.38	9.97
Interest Rate	8%	9%
Estimated rate of return on plan assets Salary Growth	8%	8%

k. Prior Period Adjustments represent:

Particulars	₹ in lakhs	
	2009 - 10	2008 - 09
Gratuity	(0.09)	-
MVAT	-	829.51
Service tax	0.60	155.90
Goodwill on merger amortised	-	(43.46)
Sales Returns	63.22	-
Other Miscellaneous expenses	2.62	8.00
Total	66.35	949.95

l. Auditors' Remuneration:

Particulars	₹ in lakhs	
	2009 - 10	2008 - 09
Audit fees	21.47	21.54
Tax audit	2.00	2.00
Other Matters	3.53	3.50
	27.00	27.04

m. Earnings in Foreign Currency:

Description	₹ in lakhs	
	2009 - 10	2008 - 09
Product and service income	47,939.82	48,537.38

SCHEDULES TO CONSOLIDATED ACCOUNT

s. Quantitative details of Inventory:

A. DETAILS OF TURNOVER AND STOCKS IN RESPECT OF FINISHED GOODS:

Class of Goods	Unit of Measurement	Opening Stock Quantity	Value Rupees	Copies Printed	Value Rupees	Turnover Quantity	Value Rupees	Scrap Sold Quantity	Value Rupees	Closing Stock Quantity	Value Rupees
Magazines - Printed	Numbers										
2009-10		427,669	171,068	2,496,310	21,033,861	1,470,869	12,393,515	944,164	384,296	508,946	203,578
2008-09		78,228	-	3,112,888	31,132,502	2,646,180	26,464,879	117,267	42,213	427,669	171,068
Books & Comics - Printed	Numbers										
2009-10		14,963	1,285,266	-	-	(4,429)	(380,435)	-	-	19,392	1,576,499
2008-09		-	-	45,856	4,162,926	30,893	2,804,546	-	-	14,963	1,285,266

Details of the Finished Goods - Magazines

Class of Goods	2009-10		2008-09	
	Number of Copies	Percentage	Number of Copies	Percentage
Opening Stock	427,669	-	78,228	-
Total copies available for sale	2,496,310	100.00%	3,112,888	100.00%
Copies sold during the year				
- Through Agents	1,197,217	40.94%	2,394,456	75.04%
- Through subscriptions (Domestic & Overseas)	273,652	9.36%	251,724	7.89%
Less : Scrap Sales	944,164	32.29%	117,267	3.67%
Balance Copies	508,946	17.41%	427,669	13.40%

Details of the Finished Goods - Books & Comics

Class of Goods	2009-10		2008-09	
	Number of Copies	Percentage	Number of Copies	Percentage
Total copies available for sale (including returns)	14,963	100.00%	45,856	100.00%
Copies sold during the year				
- Through Agents *	(5,295)	-35.39%	25,299	55.17%
- Through subscriptions (Domestic & Overseas)	866	5.79%	5,594	12.20%
Balance Copies	19,392	129.60%	14,963	32.63%

* Quantity returned is more than sales

NOTES:

- Licensed Capacity is not applicable as the manufacturing unit of the Company is a Small Scale Unit.
- The magazines are sold in Numbers and hence, its quantity information is available in Numbers.

SCHEDULES TO CONSOLIDATED ACCOUNT

B Raw Materials Consumed

Class of Goods	Unit of Measurement	Opening Stock Quantity	Value Rupees	Purchases	Value Rupees	Consumption Including Wastage	Value Rupees	Closing Stock Quantity	Value Rupees
Indigenous									
- Indian Printing Paper									
2009-10	MT	5.12	217,935	166.19	5,961,798	151.07	5,414,253	20.24	765,479
2008-09	MT	2.18	73,220	257.02	11,938,975	254.08	11,794,260	5.12	217,935
		5.12	217,935	166.19	11,789,947	151.07	11,586,579	20.24	765,479
		2.18	73,220	257.02	5,858,117	254.08	5,896,551	5.12	217,935
- Indian Art Paper									
2009-10	MT	3.35	175,814	22.79	1,242,499	20.70	1,135,658	5.44	282,655
2008-09	MT	-	-	49.89	1,887,710	46.54	1,711,896	3.35	175,814
		3.35	175,814	22.79	2,036,737	20.70	1,919,577	5.44	282,655
		-	-	49.89	1,624,502	46.54	1,624,502	3.35	175,814
Indigenous									
2009-10	MT	8.47	393,748	188.98	7,204,297	171.77	6,549,911	25.68	1,048,134
2008-09	MT	2.18	73,220	306.91	13,826,685	300.62	13,506,156	8.47	393,749
Current Year 09-10 Total	MT	8.47	393,748	188.98	7,204,297	171.77	6,549,911	25.68	1,048,134
Current Year 08-09 Total	MT	2.18	73,220	306.91	13,826,685	300.62	13,506,156	8.47	393,749

Quantity of the Imported and Indigenous consumption

Class of Goods	2009-10		2008-09	
	Quantity MT	Percentage	Quantity MT	Percentage
Paper				
- Imported	-	0.00%	-	0.00%
- Indigenous	171.77	100.00%	300.62	100.00%
	171.77	100.00%	300.62	100.00%

For Borkar & Muzumdar
Chartered Accountants

For and on behalf of the Board of Directors

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

NOTES ON ACCOUNTS

n. Expenditure in Foreign Currency:

Particulars	₹ in lakhs	
	2009 - 10	2008 - 09
Travelling Expenses	2.06	4.27
Import of Hardware / Software(Capitalised)	33.26	75.52
Professional Fees	25.95	5.38
Others	82.61	104.79
Total	143.88	189.96

o. Payments to Directors

Particulars	₹ in lakhs	
	2009 - 10	2008 - 09
Directors' remuneration, Salaries and other allowances	140.80	157.72

p. Un-hedged Foreign Currency Exposures:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:
Amount receivable as at March 31, 2010 in foreign currency on account of the following:

	2009 - 10		2008 - 09	
	₹ in lakhs	Value in foreign currency	₹ in lakhs	Value in foreign currency
Product and Service Income	5,708.80	USD 12,646,885	4,507.30	USD 8,846,520

q. The Company's significant leasing agreements are in respect of operating leases for official premises and guest house. These leasing arrangements which 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 Schedule 21

Particulars	2009 - 10		2008 - 09	
	₹ in lakhs	Value in foreign currency	₹ in lakhs	Value in foreign currency
Not later than one year			114.76	102.99
Later than one year but not later than 5 years			233.65	179.15
Later than 5 years but not later than 15 years			130.02	131.22

r. 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.

s. **Quantitative details of Inventory** - See separate sheets attached.

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

For Borkar & Muzumdar
Chartered Accountants

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W
MUMBAI
Date : 27th August, 2010

For and on behalf of the Board of Directors of

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

PAST YEAR PERFORMANCE

PAST YEAR REVIEW

	(₹ in lacs)				
	except per share data, other information and ratios				
	2009-10	2008-09	2007-08	2006-07	2005-06
OPERATING RESULTS					
Total Income	50,323.43	49,916.24	26,932.76	17,282.89	9,591.20
Exports turnover	47,932.10	48,524.09	24,541.34	15,437.03	7,664.68
Domestic turnover	794.10	855.20	1,004.22	1,071.66	1,926.52
Operating Profit (PBIT)	21,871.92	23,473.96	13,324.39	9,485.47	4,498.40
Profit after Tax	17,488.28	19,141.05	11,040.42	9,433.94	4,167.50
Dividend	1,614.27	1,475.66	556.52	236.66	233.30
FINANCIAL POSITION					
Paid up Equity Capital	1,844.88	1,844.30	1,843.06	1,183.31	1,171.80
Reserves	75,191.22	59,563.26	42,093.25	28,897.15	18,963.30
Equity Shareholders' Funds	77,036.10	61,407.56	43,936.31	29,908.37	19,909.00
Market Capitalisation (as on 31st March)	1,03,266.93	57,864.90	166,013.52	138,180.46	129,191.28
PERFORMANCE INDICATORS					
Earning Per Share (₹)	18.96	20.76	12.09	16.03	7.50
Dividend Per Share (₹)	1.00	0.80	0.60	0.40	0.40
Book Value per equity Share (₹)	83.51	65.36	46.07	50.55	33.98
Exports to Net Sales (%)	98%	98%	96%	94%	83%
Net Profit Margin (%)	35%	38%	41%	55%	43%
Operating Profit Margin (%)	48%	47%	47%	55%	47%
Return on Networth	23%	32%	26%	31%	21%
Return on capital employed (PBIT/ Capital employed)	16%	21%	14%	30%	22%

GEODESIC

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