

GEODESIC

ANNUAL REPORT 2010 - 2011

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CORPORATE INFORMATION

COMPANY SECRETARY

CS. Swati Gupta

REGISTERED & CORPORATE OFFICE

Geodesic Limited

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

Tel: +91-22-28306804

Fax: +91-22-28200832

Visit us: www.geodesic.com

Email: invrel@geodesic.com

AUDITORS

M/s Borkar & Muzumdar
Chartered Accountants

PRINCIPAL BANKERS

- ICICI Bank Limited
- Barclays Bank
- 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 Branch
- Barclays Bank PLC – London
- UBS AG - Hong Kong

REGISTRAR & TRANSFER AGENT

M/s Universal Capital Securities Private Limited

(Formerly known as M/s Mondkar Computers Private Limited)

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

Tel. No: +91-22-28207203-05 / 28257641

Fax No: +91-22-28207207

Email: info@unisec.in

OTHER OFFICES

Geodesic Limited

K.C. House, 2nd Floor, CTS No. 15, Central Road, MIDC, Andheri (East), Mumbai – 400 093. Maharashtra. India.

Geodesic Limited

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

Geodesic Limited

Santogen House, Plot No. A/69, 1st Floor, MIDC, Behind Tunga International Hotel, Andheri East, Mumbai – 400 093. Maharashtra. India.

Geodesic Limited

18, 10th Cross, Mayura Street, Papanna Layout, Outer Ring Road, Bangalore – 560094. Karnataka. India.

Geodesic Limited

19B, MLA Colony, Road No.12, Banjara Hills, Hyderabad- 500 034. Andhra Pradesh. India.

FACTORY

Geodesic Limited

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

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

www.chandamama.com

Filmorbit.com India Private Limited

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

Tel: +91-22-28306804

Fax: +91-22-28200832

www.filmorbit.com

Geodesic Gridpoint Energy Private Limited

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

Tel: +91-22-28306804

Fax: +91-22-28200832

ASSOCIATE COMPANY

Republique Media Private Limited

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

Tel: +91-22-28306804

Fax: +91-22-28200832

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

Zomo Technologies Limited

(Subsidiary of Geodesic Holdings Limited)

Trident Trust Company (BVI) Ltd., Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Island.

Spokn Communications Pte. Limited

(Subsidiary of Geodesic Holdings Limited)

138, Robinson Road # 17-00, The Corporate Office, Singapore - 068906.

BOARD OF DIRECTORS

Pankaj Kumar
Chairman

Prashant Mulekar
Executive Director

Kiran Kulkarni
Managing Director

Nitin Potdar
Non Executive & Independent
Director

Vinod Sethi
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

Sanjay Sarkar
Chief Design Officer

Farhan Ashhar
Chief Technology Officer

Jitendra Loyal
Head - Product Engineering

Sarraj Narasinga Rao
Chief Products Officer

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

Swati Gupta
Company Secretary &
Vice President

Dr. P. R. Subramanya
Vice President - Technology
(GeoAmida)

Anirudh Moudgal
Vice President – Design

Arnab Ganguly
Business Development & Sales
(GeoAmida)

Deepak Shenoy
Vice President - Operations

Vishal Mainkar
Vice President -
Business Development and Sales

D Phaneendra Kumar
Associate Vice President -
New Technologies

Navita Sharma
Head - Corporate
Communications

LETTER TO SHAREHOLDERS

Volatility has become a way of life. While the economy shows signs of recovery, the operational costs and geopolitical risks have been rising. In due course, the classic economic cycles will be shorter and more segmented. Long-term growth will be interrupted by short-term volatility.

While the developed world is dealing with fiscal constraints and sluggish, growth the developing markets are growing rapidly. In this environment, we committed to a sizeable investment plan in technology, brand creation and marketing. In 2011, we focused on the fundamentals of cost control, launch of new products, cash optimisation and return on capital. These measures have resulted in excellent organic profit growth and a healthier balance sheet.

Over the past year, we have had wide ranging developments with regard to products, partnerships, subsidiaries, new customers and milestones, all of which we would like to share with you.

Our revenues grossed ₹ 8879 million in FY 2011, an increase of 37% over ₹ 6500 million for fiscal 2010. Our net earnings grossed ₹ 2737 million in FY 2011, an increase of 22% over ₹ 2237 million for fiscal 2010.

Our business model allows us to invest in growth and generate free cash flow, keeping the company safe through volatile times. We have been a dividend paying company since 2004 and are committed to a dividend yield that is attractive as compared to our peers.

The promising growth in our revenues and earnings is likely to continue in fiscal 2012. As we remain committed to a more focused Geodesic, we look for significant growth in earnings over the next few years.

Given the speed of technological change and its effects on competition, we are focused on two things - Agility and Innovation. We have been at the forefront to quickly adapt or even anticipate lead change while we have been developing deep differentiating capabilities that allow us to create products or new versions of products and services. These features, products and services truly separate our business from the competition and enable the company to endure despite strategic mistakes or other unforeseen changes in competition and markets.

Communication, Collaboration and Content continue to be at the heart of Geodesic. Millions of people communicate while they discover and consume content using several of our products on their cell phones, tablets and desktops. Communication, discovery and consumption of content is extremely critical to people and that is why we work really hard to provide the best in class solutions across several mobile platforms including Android, Symbian, iOS, Blackberry, Web OS, Windows Phone, etc., and desktops including Windows and MacOS.

We use our robust Communication, Collaboration, CRM and Content Management platforms to address both the

enterprise and retail segments. However, features are modified to suit individual segment needs.

Our Enterprise products have primarily been designed with tracking, auditing and security as key features and work across both the desktop and mobile platforms. They include:

Continuum - A powerful Internet based Unified Communication, Collaboration and Contact Management System that helps enterprises to strongly manage their business continuity process and enhance their productivity while reducing communication costs and sales cycles.

Spyder - A Customer Alignment and Relationship Management solution that provides the enterprise with a three dimensional customer / prospect view and ensures their products and services align with the growing needs of their prospects and customers.

.fn - A financial suite of products that provides seamless and analytical interfaces between financial service providers and their ever-demanding customer base. Our powerful analytics framework allows financial services companies to create and provide bespoke offerings that are both, value-rich and competitive.

We reach out to our customers through a direct sales team in conjunction with value added resellers and system integrators. We enjoy an enviable customer base that includes major Financial Institutions, Banks, Public Sector Undertakings, Multinational Corporations, Broking Houses, Mutual Funds and Insurance Providers.

Our retail products are largely on the mobile platform that is perhaps the first screen to millions of people worldwide. We classify our retail product offering in two categories – Communication and Content Management & Delivery.

COMMUNICATION PRODUCTS

Mundu Instant Messenger (Mundu IM) – A messenger that unifies different messaging services (AIM, Facebook, Gtalk, ICQ, Jabber, MSN and Yahoo) in an easy-to-use single interface on almost all mobile platforms.

Mundu SMS – A global service that allows mobile users to send text messages using the Internet on their mobile phones, to connect with their contacts at a fraction of the cost incurred by mobile users on their GSM / CDMA networks. Mundu SMS retains the regular SMS usability and user perception.

Spokn – A worldwide telecom service that enables people to make phone calls or send short Voice Messages (VMS) easily and cost-effectively using their computers, internet-enabled smart phones or even regular phones.

Spokn subscribers can make calls around the world at extremely low rates and can call other Spokn

LETTER TO SHAREHOLDERS

subscribers across the globe for free. Subscribers can also subscribe to a phone number in the US, UK, Canada and more countries and be a local call away for callers from that country.

CONTENT MANAGEMENT AND DELIVERY PRODUCTS

Mundu Radio – An internet radio solution that offers high quality digital audio on mobile handsets and desktops. The solution allows mobile and desktop users to choose music genres of their choice from thousands of genre-based internet radio stations.

Mundu TV – A Live-Internet TV service that offers its subscribers the opportunity to view 20+ Live television channels and archived content using wireless and broadband internet on mobile phones and desktops. We are in the process of constantly adding international and relevant content to ensure users around the world have access to their favourite genre on the move and across the globe.

We reach out to end customers directly through various application stores, Geodesic websites, Handset Manufacturers and Telcos.

We are in a unique position and our products, at this time reach out to consumers in more than 100 countries across several Handset Manufacturers and Telcos.

We've made significant progress in improving our mobile products distribution to provide universal accessibility as part of our retail business segment. We have forged relationships with some of the most prominent telecom carriers and equipment manufacturers in the world besides prominent application stores and product aggregation sites.

Mundu products have been pre-bundled with several equipment manufacturers and telecom carriers besides partnering with prominent application stores and product aggregation websites to distribute our products to the worldwide audience. Vodafone, Nokia, Bharti Airtel, Qualcomm, America Movil, Claro, OpenPeak and Micromax are some of our partners, and we look forward to growing these relationships in the coming years.

We design and build our products / solutions to help our customers around the world to reduce their communication costs and sales cycles, and improve efficiency to grow their businesses. Our revenue is generated from a combination of license fees, subscriptions, usage fees and service revenues.

In the past year, we have enhanced our platform support, expanded our reach across several geographies, leveraging continued infrastructure improvements to our communication, collaboration and content system. The improved infrastructure will help us

to leverage our content and communication platform to cater to a wide range of market segments.

We have successfully launched financial products and solutions (.fn) for the ever growing and technology dependent financial services segment. We leveraged our existing content & collaboration platform and mobile solutions to ensure we stay ahead of the technology curve. Our products and solutions have found their way into the top online websites of India including www.moneycontrol.com, www.smartinvestor.in, www.hdfcsecurities.com, www.edelweiss.in, www.sharekhan.com etc., besides large banks, media houses and investment / broking houses. We expect the .fn business to generate substantial revenues globally as we go into a new fiscal.

In the past two years, we have expanded our Electronic Computing devices business to include variants of GeoAmida. These variants are being used across several E-governance and Financial applications including Mahatma Gandhi Rural Employment Guarantee Act, Public Distribution Systems, Law Enforcement, Financial Inclusion, UID and Point of Sales terminals across Indian states and other developing nations. GeoAmida, as a last mile connectivity and data processing solution, has been included as part of E-governance and Financial solutions by several companies including TCS, HCL, Bartronics and Glodyne, besides several Banks and State Governments. GeoAmida currently reaches out to over 8% of India's rural population.

We are pleased to inform you that Geodesic has been empanelled as a Tier 1 software solution provider by Unique ID Authority of India.

We introduced ENLYTE (Education 'N' Learning You Take Everywhere) as a product concept last year. And we are elated to share with you that the product concept has moved into the beta stage of the launch. ENLYTE has evolved in many ways as part of the feedback we received from users across a cross section of the target audience including Students, Universities, Publishers etc. We now have the optimum ENLYTE form factor besides the feature set, and we are confident that ENLYTE will create a new segment in the space of Education. We expect to launch the newly designed ENLYTE during the course of fiscal 2012.

In our bid to exploit the GeoAmida platform, we formed Geodesic Gridpoint Pvt. Ltd. – a subsidiary to design and build products / solutions around the Energy and Power sectors in conjunction with industry experts. Our unique Automated Cluster Meter Reading (ACMR) around open protocols and mesh networks has found resonance with leading State and Private Power Corporations. ACMR pilot projects are in advanced stages of implementation and we are confident of our solution gaining ground and adding considerable value during the next two fiscal years.

LETTER TO SHAREHOLDERS

Our Content Management platform powers Republicque Media – a company engaged in providing Online Anti-Piracy solutions to the media and entertainment industry. Our technology has been used in more than 30 films during the last fiscal and has managed to reduce online piracy to the extent of 95% resulting in more footfalls at the theaters and extended sale of their DVDs / VCDs.

While our Content Management platform powers anti-piracy solutions, we also power Filmorbit (www.filmorbit.com), a broad based portal for the Indian Entertainment industry. The website streams more than 2000 movies for free, offers content discovery in more ways than one, content consumption and commerce. Social media connections are integrated as part of this website. www.filmorbit.com is live in its beta stage and is expected to have a full launch during the third quarter of fiscal 2012.

We have worked to expand our offerings that enable users to manage their information – to create content, collaborate on it as a group, and then share it with the world. We are confident of effectively utilizing our flexible Content, Communication, Collaboration and CRM platforms to explore possibilities of addressing more market segments in the coming fiscal years to broad base our revenue streams. Our technical expertise, people, and a compelling work environment have massive advantages in globalization. We treat 'growth' as a process by focusing on agility, innovation, customer needs, services and best-practice integration. Nearly 80% of our revenues are from exports. We have always believed in partnerships to expand our business and this principle has helped us in expanding our operations in the lucrative South American, Middle East and African markets. During the fiscal year we signed:

- A Memorandum of Understanding with HRH Prince Abdullah Bin Mosaad Bin Abdulaziz Al Saud to establish a Joint Venture (JV) to pursue E-governance and Energy solution opportunities in Saudi Arabia and other Gulf countries.
- A partnership agreement with AudioBras, Portal Radios and RadiosBR. This partnership will enable us to bring Portuguese and Brazilian content, including music, news and sports, to all Mundu Radio users.
- An agreement with International Business Promoters LLC, Muscat, to diversify its financial products and GeoAmida in the Sultanate of Oman.

Under our expansion plan, our strategic alliance with Zee Entertainment Enterprises Limited – ZEEL was done to incorporate ITM Digital Private Limited. This company was to address the hugely growing market for multimedia content convergence across Internet, Television and Mobile phones. The ZEEL-Geodesic agreement was mutually terminated owing to change of views and long term impact.

CULTURE AND TEAM

We're building a culture rooted in transparency, innovation and scale, because we aspire to innovate as much on the people side as we do on the product side. We have improved our benefits programs and launched a range of development programs that help our people grow into better leaders. We work hard to infuse a great and transparent culture into every office around the world, empowering our employees to make contributions that help drive Geodesic's overall success.

These initiatives help us scale by attracting amazingly talented people, and then nurturing them as we preserve what's special about our culture. Our commitment to our employees is matched by a broader sense of responsibility to our customers and user communities worldwide. Specifically, we recognize that Content, Communication and Collaboration are powerful tools to help identify and solve problems. We are committed to harnessing our resources to help address pressing global needs.

During the fiscal year 2011, we have added more than 70 people on board and strengthened our senior management, product management, marketing, support, and the software engineering teams to ensure we create a global brand out of India.

During the year, we have won several awards for our products including the NASSCOM Social Honors award for GeoAmida. Mundu TV scaled up charts on several app stores and was rated the #1 Entertainment App on the Apple App Store and the Nokia Ovi Store.

This is the sixth consecutive year of being included in the Deloitte Fast 50 in India and Fast 500 in Asia.

This is the beginning of a new decade. As we go forward, we are optimistic we will make significant progress in tackling global challenges.

THANK YOU

We had a remarkable 2011. None of our achievements would have been possible without our passionate users, strong partnerships and talented employees. Lastly, the trust you have placed in us is something we value greatly and we look forward to your continued trust, support and guidance.



Pankaj Kumar
Chairman

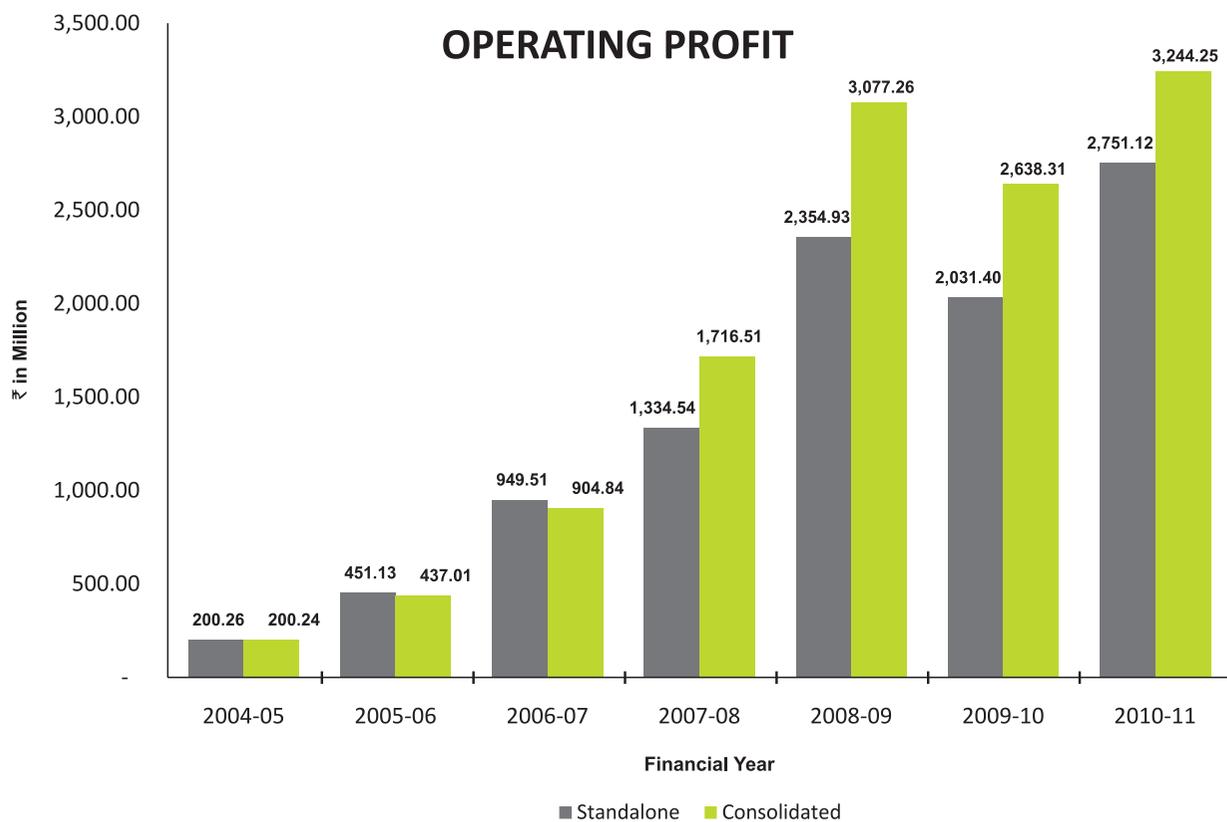
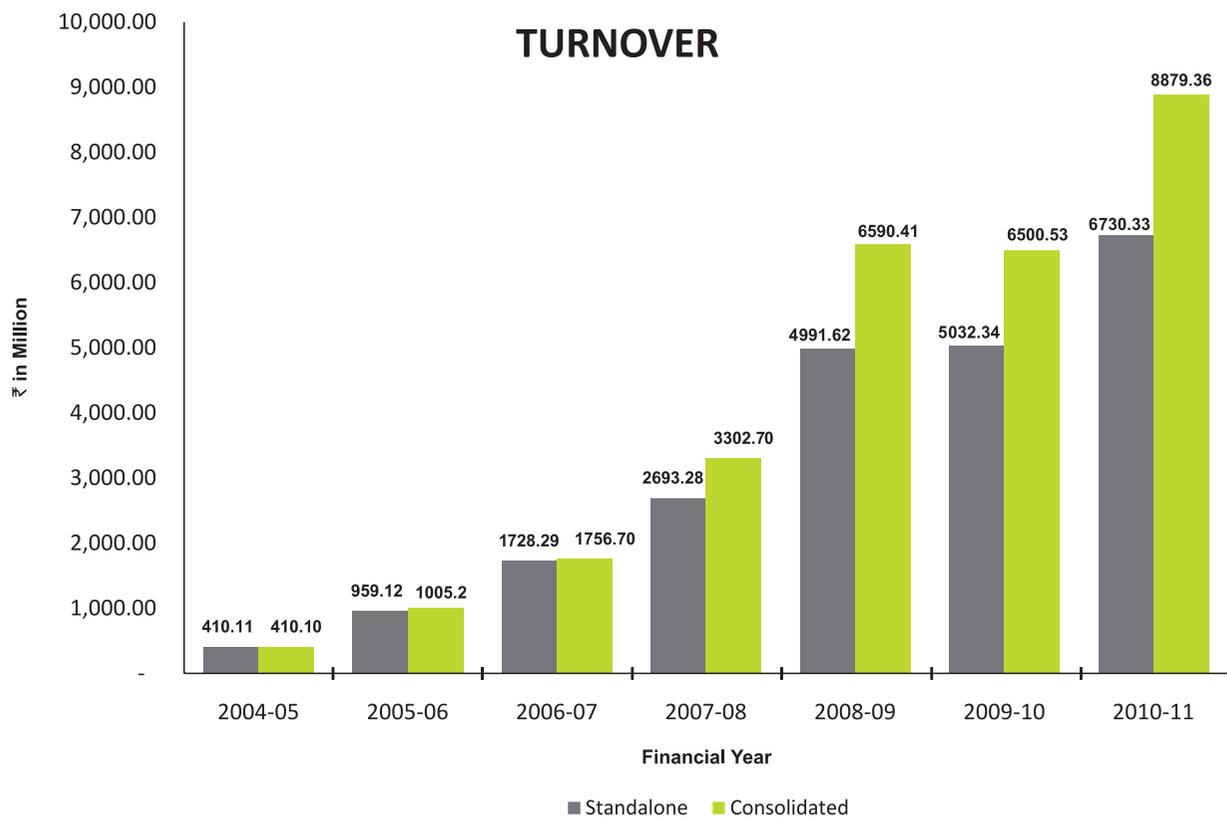


Kiran Kulkarni
Managing Director

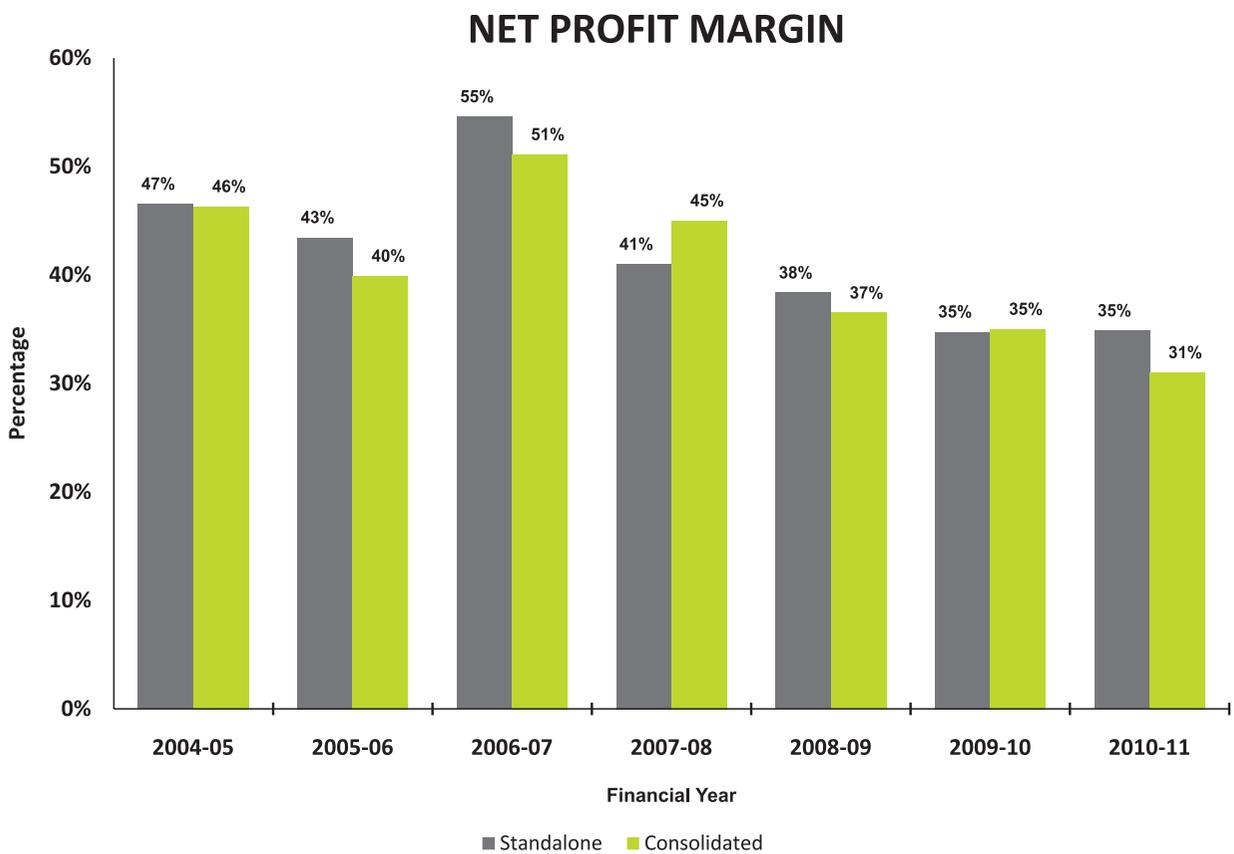
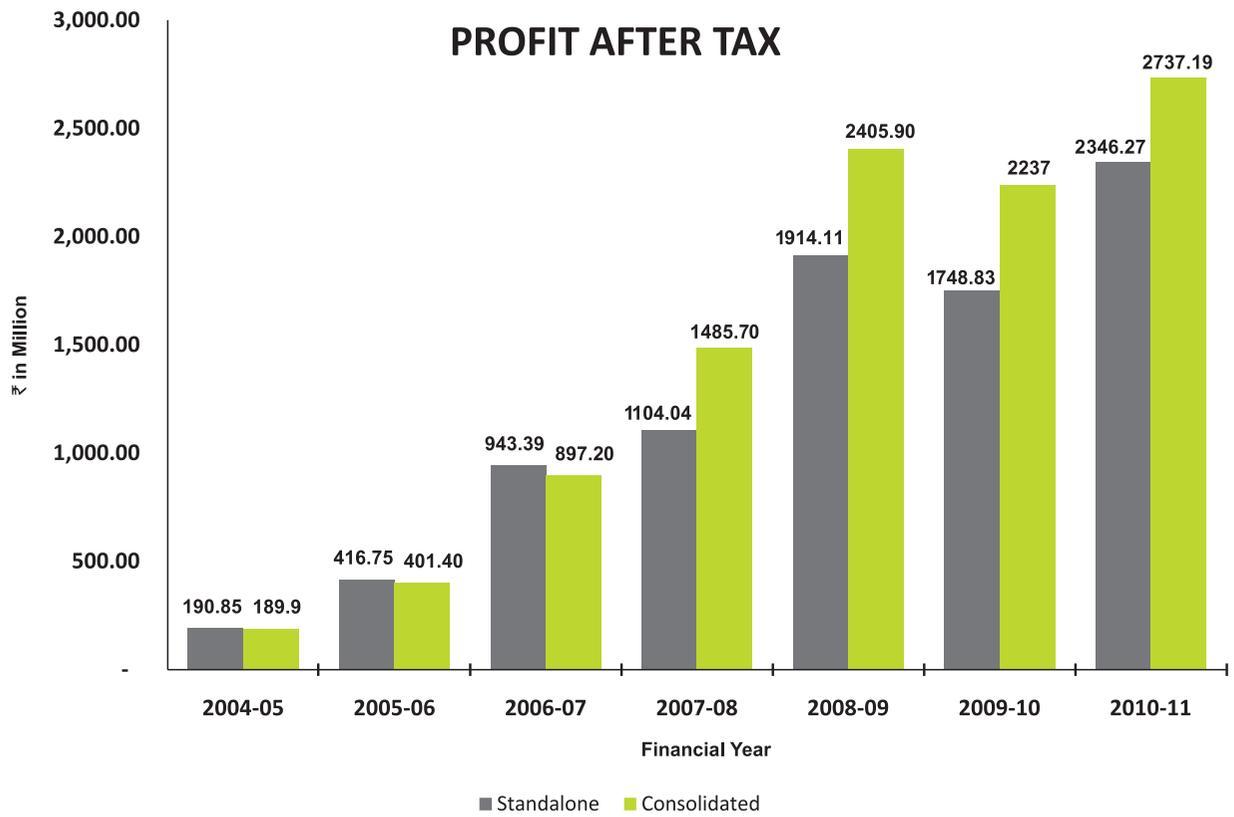


Prashant Mulekar
Executive Director

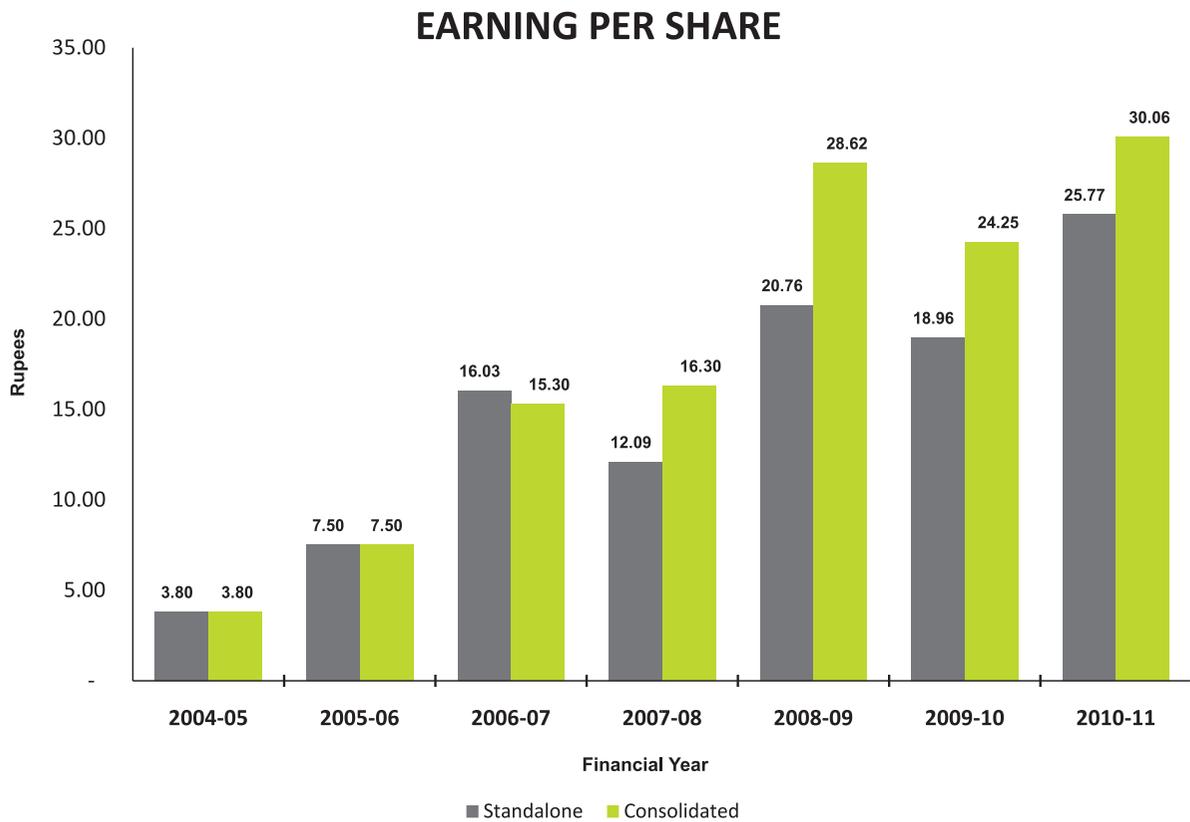
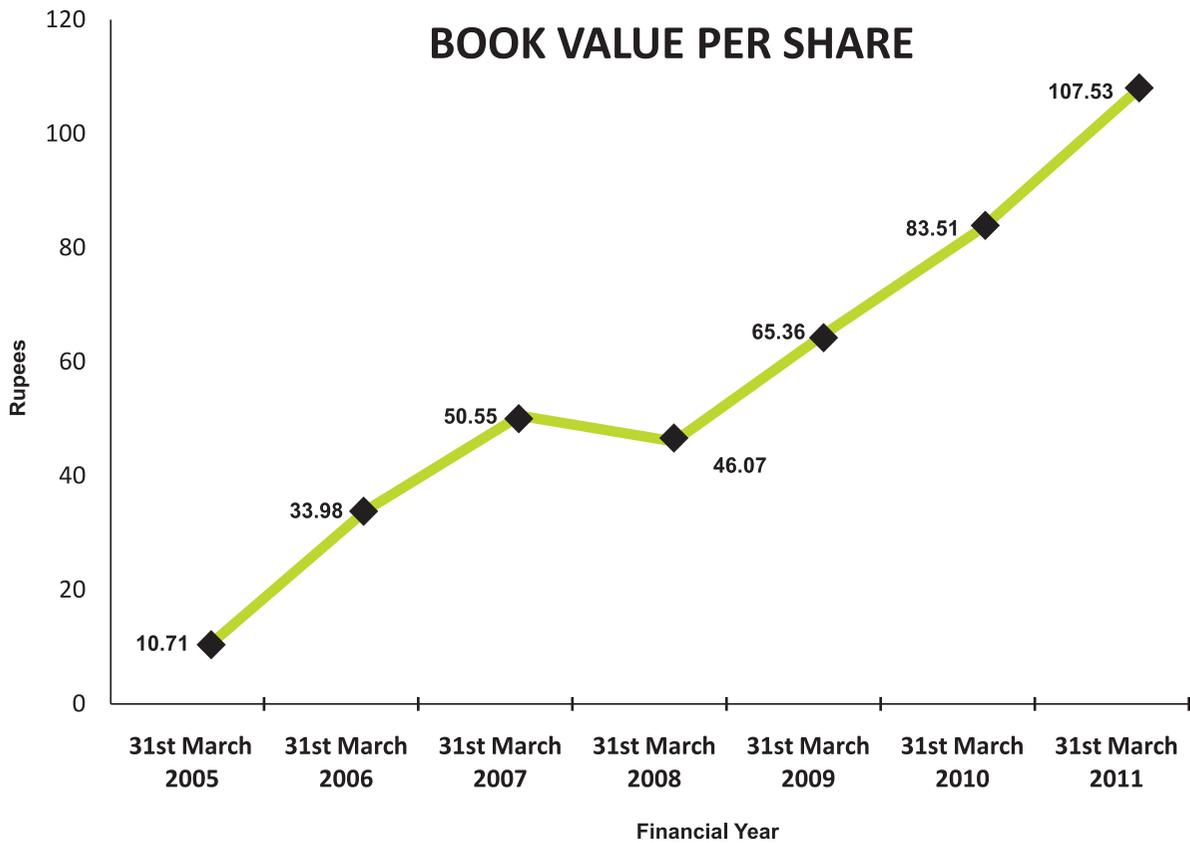
FINANCIAL HIGHLIGHTS



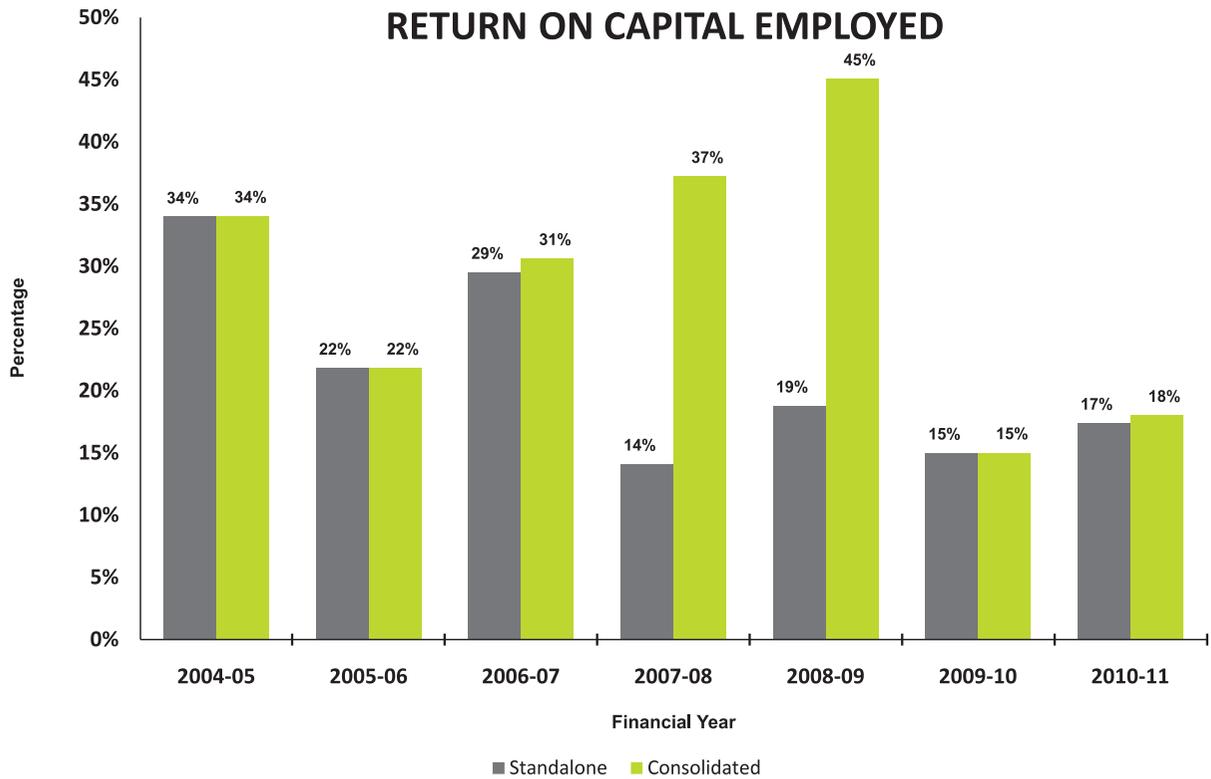
FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

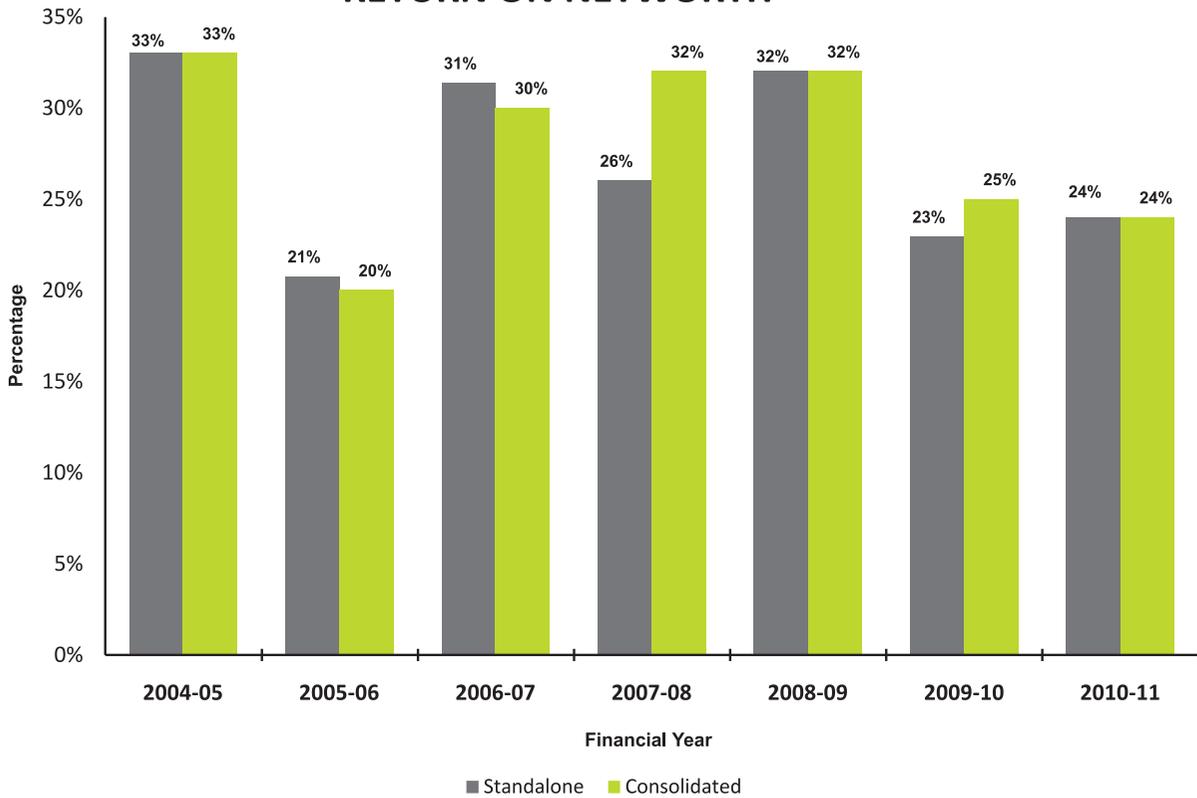


FINANCIAL HIGHLIGHTS

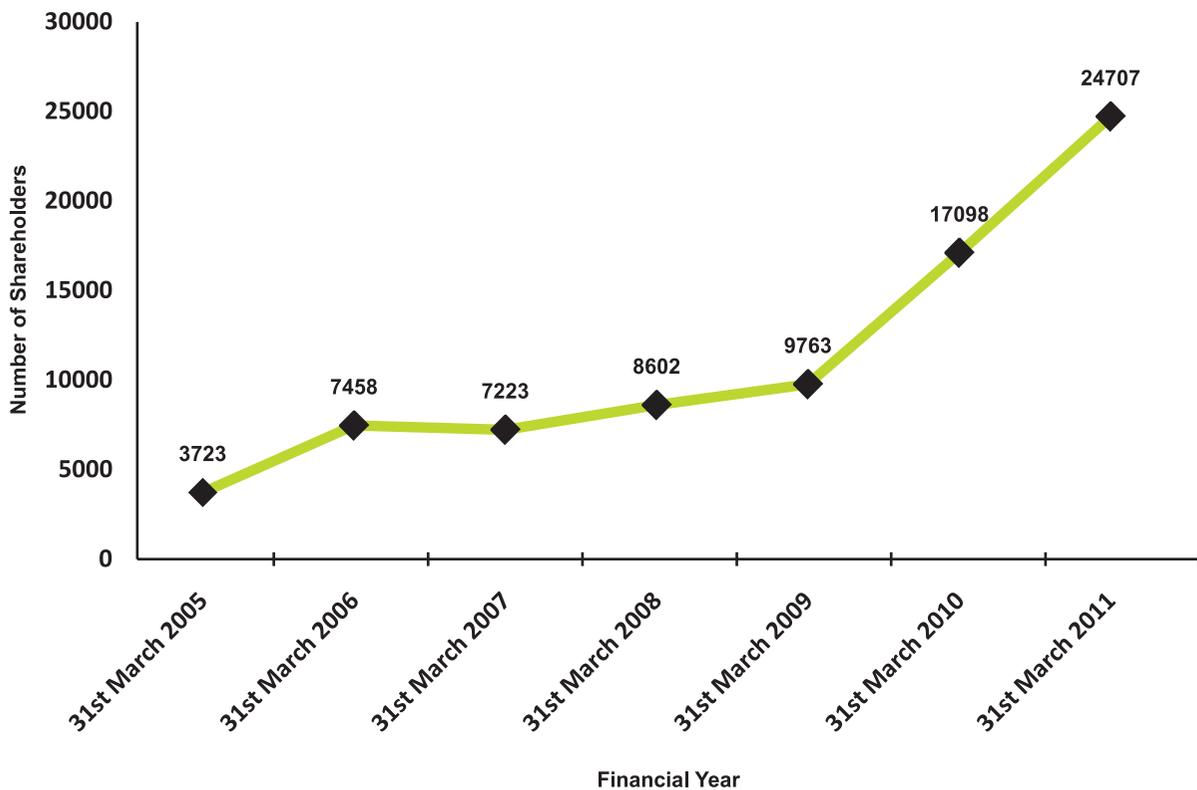


FINANCIAL HIGHLIGHTS

RETURN ON NETWORTH



NUMBER OF SHAREHOLDERS



MANAGEMENT DISCUSSION & ANALYSIS

FORWARD LOOKING STATEMENTS

This report contains forward looking statements which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including the statements about Geodesic's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements.

Forward looking statements are based on certain assumptions and expectations of future events. Geodesic cannot guarantee that these assumptions and expectations are accurate or will be realized. Geodesic's actual results, performance or achievements, can thus differ materially from those projected in any such forward looking statements. Geodesic assumes no responsibility to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events.

OVERVIEW

We are a technology company focused on delivering solutions in the space of Communication, Content Management, Collaboration and Customer Relationship Management to the enterprise and retail segments. Our innovative products and services, emphasis on substantial cost reductions, and enhanced productivity for the enterprise and retail segments, have led us to improve our earnings and revenues, besides win several global awards. Our mobile products are used by millions of people around 108 countries at the last count.

We introduced GeoAmida - a last mile connectivity and data processing handheld device - to focus on the growing E-governance and Financial applications for India and other developing nations. GeoAmida has mainstreamed 8% of India's rural population so far and aspires to double it during this year.

Our mission is to make Content, Communication and Collaboration accessible and truly affordable across networks. This in turn will enhance productivity and efficiency. We address the following primary segments:

Enterprise: We provide Enterprises with our Unified Communication and Collaboration stack, the CRM module and Content Management System. These modules help Enterprises in reducing their communication costs, enhancing their productivity through collaboration, and reducing their sales cycle through better content analytics / management and a powerful CRM.

Telecom Operators and Handset Manufacturers: We have a deep product line that easily adds value to Telcos and Handset Vendors who solely rely on value added services and features they provide to their consumers. We pre-bundle our applications on the handsets and are part of the VAS offerings by the Telecom Operators.

Retail Consumers: We provide mobile consumers with products in the space of communication including Mundu IM, Mundu Universal Messenger, Spokn and Mundu SMS. We offer streaming, live and on-demand content to users through Mundu Radio and Mundu TV. All our applications are available across multiple platforms including iOS, Android, Blackberry, Symbian, Java and on Windows and MacOS desktops. In the last quarter, we launched Carrom MP – a game based on physics for the iPad.

System Integrators and Value Added Resellers: We recognize this as an extremely important segment. We integrate almost all of our products with their products and solutions and reach out to customers not easily accessible by them.

Government and Financial Institutions: We provide our GeoAmida (hand-held device) based solutions to this segment and on offer are the following solutions: Mahatma Gandhi Rural Employment Guarantee Act, Law Enforcement, Public Distribution Systems, Financial Inclusion and Remote Health Management.

We now have 14 offices worldwide and over 700 employees. While we have invested substantially in innovation and growth, we have managed to extend our competitive advantage, fortified our leadership and retained our work culture.

During this fiscal, we forayed into the lucrative Cluster Management, Cloud Computing, Online Utility Payment solutions and Online / Mobile Gaming. Looking back, it has been a year filled with innovation, new solutions and expansion.

WHAT WE OFFER

Over the years we have understood how valuable our commitment to innovation has been in the growth of the company. It is clearly visible in the range of products we have developed, and in the milestones we have achieved in a short time.

Flexible and scalable, our products and solutions address both the retail and the enterprise segments. This flexibility has helped us reorient our products to address a diverse market and build meaningful partnerships with Telecom Network Operators, Internet Service Providers and Handset Vendors across countries.

We believe simple, effective and cost-controlled communication is the key to building stronger, long-lasting relationships, personally and professionally. Catering to various predominant business categories, we offer the end user (retail and enterprise) innovative and user-friendly products and services that best suit their needs.

OUR BOUQUET OF PRODUCTS AND SERVICES: ENTERPRISE

Our Enterprise products have been designed for desktop and mobile platforms that include Continuum, Spyder and .fn suite of products.

MANAGEMENT DISCUSSION & ANALYSIS

Continuum – the Unified Communication & Collaboration solution delivers real-time communication and collaboration services across a powerful contact management module unifying user experience while leveraging an enterprise's existing IT and telephony infrastructure.

Spyder – an advanced Client Relationship Alignment Management System for the complex needs of a financial institution, it is an ideal solution for Fund Management and Investment Banking.

Financial Portal Framework – is a financial suite of products that provides seamless analytical interfaces between financial service providers and their ever-demanding customer base.

Wallet Wap – is the key to anytime / anywhere delivery of personalized market and investment information. The fastest, most direct channel to keep clients informed about the latest happenings in the markets, it is compatible with all mobile devices.

Wealth Console – is an enterprise-ready, client-server solution that improves communication between Financial Wealth Managers and their clients.

RETAIL

We have reasons to believe that the mobile screen is the first and only screen for millions of consumers globally. Our retail products mostly cater to mobile phone subscribers and we also bundle them in desktop versions as an add-on offering. We recently made our foray into the lucrative mobile gaming segment and topped the charts on the Apple App Store for the iPad in India and Saudi Arabia, amongst others.

Our offerings are predominantly classified into three categories – Communication, Content Streaming (live/on-demand) & Management, and Gaming.

COMMUNICATION

Mundu IM: A messenger that unifies different messaging services (AIM, Facebook, Gtalk, ICQ, Jabber, MSN and Yahoo) in an easy-to-use single interface on almost all mobile platforms.

Mundu SMS: A global service that allows mobile users to send text messages using the Internet on their mobile phones, to connect with their contacts at a fraction of the cost incurred by mobile users on their GSM / CDMA networks. Mundu SMS retains the regular SMS usability and user perception.

Spokn: A worldwide telecom service that enables people to make phone calls or send short Voice Messages (VMS) easily and cost-effectively using their computers, internet-enabled smart phones or even regular phones.

CONTENT MANAGEMENT & DELIVERY

Mundu TV: a Live-Internet TV service that offers its subscribers the opportunity to view 20+ Live TV

channels and archived content using wireless and broadband internet on mobile phones and desktops.

Mundu Radio: An Internet radio solution that offers high quality digital audio on mobile handsets and desktops. The solution allows mobile and desktop users to choose music genres of their choice from thousands of genre-based Internet radio stations.

MOBILE GAMING

Carrom MP: An intriguing strategic board game which is fully compliant with the laws of physics, for the iPad.

ELECTRONIC COMPUTING

Expanding our business further, we have included variants of GeoAmida to suit solutions in the areas of Law Enforcement, Rural Employment Guarantee Act, Public Distribution Systems, Financial Inclusion, Micro Finance, Healthcare, and as a ERP device.

GeoAmida: The world's first integrated mobile computer based on Linux. GeoAmida includes biometric sensors and smart card readers/writers. It is a multi-lingual, real-time computing and transaction system with an integrated text to speech facility.

BUSINESS MODEL

Geodesic addresses a diverse market segment and we have been successful in adopting unique business models for each of our market segments. They include license and support fee, usage fee, and revenue share and subscriptions. These business models are built to help our clients succeed in delivering business value to their enterprises.

Our business models are resilient, adapting to the continuously changing market and economic environment. We continue to divest businesses and strengthen our position through strategic organic investments and acquisitions.

Our business models, supported by our long-term financial model, have enabled us to deliver strong earnings consistently, cash flows, and returns to shareholders in changing economic environments.

REVENUE GENERATION

We derive most of our revenues from Enterprise customers for our CARM, Communication, Collaboration solutions; pre-bundling of our Mobile Applications on Handsets, Telecom Operators, Retail Consumers; Government agencies, System Integrators and Financial Institutions for GeoAmida. The rest is derived from software services, .fn solutions, our subsidiaries including Chandamama and treasury management.

ENTERPRISE:

We recognize the sale of following products to the following segments as Enterprise Revenues:

Continuum – Unified Communication, Collaboration, Content Analytics and CRM for the Enterprise market,

MANAGEMENT DISCUSSION & ANALYSIS

Portals, Financial Institutions, System Integrators and Value Added Resellers.

Continuum is a Unified Communication and Collaboration suite of products combining the capabilities of the enterprise communication framework and sophisticated contact management into a single, powerful solution. Unified communication is an important capability that offers a number of benefits, including:

- The ability to integrate email, voice, text and instant messaging into a more cohesive communication system than most organizations have available to them today.
- Faster decision-making because all the data that users and organizations need is available through any access point and users can communicate with others inside and outside their organization easily and quickly.
- Lower overall IT and telecommunications costs, particularly for labour, because of the inherent economies of scale available with an integrated communications platform.

Continuum as a concept and as a solution is more relevant to all enterprises as the number of remote workers continues to grow over time. For example, a Gartner study found that the number of workers who work from home at least one day per week will increase at an average compounded rate of 4.4% through 2011. Remote workers are simply more efficient if they have access to all of their communication tools in a single, IT-managed interface instead of tools that individuals select on their own and cobble together with varying degrees of success and efficiency.

We have now enhanced Continuum by adding enterprise wide social CRM elements and business continuity tools to add more value to the product. These two modules will have a market potential of almost 8% of the CRM market of US\$ 10 billion by 2012 as predicted by Gartner. We license the Continuum technology to System Integrators, Enterprises, Value Added Resellers, Portals and Financial Institutions.

We are now focused on enterprises in the developing world as these products offer them flexibility and align their resources with the needs of their customers.

We charge a recurring or a perpetual license fee. As part of the recurring license fee, we charge enterprises a fee on a per user per month basis. Most of our enterprise customers pay us usage fees (per user per quarter) and consumption fees (per call minute / per text message). We offer enterprises both a hosted and an in-house system. The usage fee varies with industries, volume of users and geographies.

Spyder – CRM for Financial Institutions, Enterprises, System Integrators and Value Added Resellers. Spyder is an advanced Client Relationship Alignment Management System for the complex needs of a financial institution or enterprise that sells intellectual

product(s) manifesting as opinion (backed by research), market insight, know-how and capability.

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

Gartner projects worldwide Customer Relationship Management (CRM) software revenue to exceed US\$ 13.3 billion through 2012 and the biggest growth is expected out of the Asia Pacific markets. We have focussed on the Asia Pacific markets at this time and we are actively pursuing the strong SME segment in India.

Spyder has been successfully integrated within Continuum to ensure we are a unique offering of Content Management, Unified Communication & Collaboration and CRM.

We charge a recurring license fee on a per user per month basis to the enterprise. Most of our enterprise customers pay us usage fees (per user per quarter) and consumption fees (per call minute / per text message). We offer enterprises both a hosted and an in-house system. The usage fee varies with the number of enterprise users and geographies. Spyder and Continuum are clubbed into a single revenue stream as they have a similar business model and are derived from the same platform.

The enterprise segment, during the fiscal FY11, generated 42% of our total revenues from the above products.

Mundu and Spokn applications to Telecom Operators, Handset Vendors, System Integrators and Value Added Resellers.

Mundu and Spokn applications are a stack of communication and content management / delivery products that add tremendous amount of value for Handset Vendors and Telecom Operators as part of their handsets or Value Added Services. The Mundu suite of products comprises of Communication and Content Management / Delivery solutions.

The Mundu communication stack comprises of Mundu Interoperable Messenger, Mundu Universal Messenger, Mundu SMS and Spokn Voice and Voice Messaging System.

Mundu IM / UM: A messenger that unifies different messaging services (AIM, Facebook, Gtalk, ICQ, Jabber, MSN, Yahoo and your contacts) in an easy-to-use single interface. Mundu IM/UM is available on all mobile platforms including Symbian, iOS, Android, Blackberry and Feature phones.

Mundu SMS: A global service that allows mobile users to send text messages using the Internet on their mobile phones and desktops to connect with their contacts at a fraction of the cost incurred by mobile users on their GSM / CDMA networks. Mundu SMS retains the regular SMS usability and user perception.

MANAGEMENT DISCUSSION & ANALYSIS

Spokn: A worldwide telecom service based on the Internet that enables people to make phone calls and send short Voice Messages (VMS) using their computers, internet-enabled smart phones and PSTN phones. Spokn phone calls and voice messages are economical by a margin of 70% over regular GSM / PSTN / CDMA calls.

Messaging is big business globally and text messaging itself will be a US\$ 9 billion market by 2012. Instant messaging, according to The Radicati Group, will have more than 3.5 billion accounts by 2012 and that gives us a distinct edge into the next two years.

The Mundu Content Management and Delivery platform comprises of:

Mundu Radio: A streaming and on-demand Internet Radio that allows the consumer to tune into over 120,000 radio stations. Consumers can choose a genre / album / song of their choice or simply discover music serendipitously.

Mundu TV: A live streaming and on-demand video application that allows consumers to watch live TV and video-on-demand content on their mobile phones and desktops. Live TV and on-demand video apart from great music, have been touted as two of the most wanted applications in the 3G space.

We have entered into arrangements with certain Content Providers under which we distribute or license their audio / video and other content. In a number of these arrangements, we pay content owners a share of the license / subscription fee that we collect from our customers / partners. In some cases, we guarantee our Content Providers a minimum revenue share or other payments.

We have a 360-degree approach to marketing these unique products. We align with Telecom Operators and Handset Manufacturers to distribute our applications. Telecom Operators and Handset Manufacturers rely on their subscribers for revenues through their value added and feature rich services. Our Mundu / Spokn products provide them with these services that enhance their reach. We have so far signed agreements with more than 35 telecom network operators and 11 handset vendors to distribute Mundu and Spokn products worldwide.

We recognize revenues through a combination of license fee, customization, subscription fees and revenue sharing with the Telecom Networks and Handset Manufacturers. We generally rely on per subscriber per month subscription fee from Telecom Operators and charge a per phone license fee per handset for device manufacturers. Our strategy of sharing revenues with Telecom Operators and Handset Manufacturers has helped us build lasting associations with them.

The Telecom Operators and the Handset Manufacturers segments during the fiscal FY11, generated 23% of our total revenues from the above products.

We retail the above products to consumers world over using our websites and app stores across multiple platforms. Our strategy to reach out to retail consumers

through Handset Manufacturers and Telecom Operators has led us to lower our user acquisition cost.

We have been successful in providing future proof, scalable and robust solutions in the spaces of Text and Audio Messaging, Internet Radio and TV solutions to retail consumers worldwide. We have signed agreements with content providers across multiple languages including European, Chinese and Japanese languages to cater to those markets.

Our Mundu stack of products and Spokn are retailed across www.mundu.com and www.spokn.com, respectively. They are also available on multiple application stores including Nokia's Ovi Store, Apple's App Store, Palm Store, Blackberry stores, etc. Mundu products have topped the charts on the Apple App Store as well as the Nokia Ovi Store.

We have so far consciously marketed Mundu TV as a direct-to consumer retail product and have not aligned with any Telecom Operator yet. We had 2.5 million users in a span of 5 months and the numbers are only increasing with more devices being supported and more app stores retailing the product.

We recognize revenues for this segment through a mix of one time license fee / recurring fee per month, subscription and usage fees (Spokn call minutes and text messages). The key issue with regards to the retail market is predominantly payment mechanisms. And we have aligned with top payment gateways to extend our reach and ensure we raise the download to purchase conversion ratio.

The retail segment during the fiscal FY 11 generated 8% of our total revenues from the above products.

.fn solutions and web services to large Media, Broking and Financial Institutions:

Our .fn suite of financial products is designed to provide seamless, smart analytics interfaces between Financial Service Providers and their ever-demanding customer base. These intuitive products are designed to encourage analysis by using advanced statistical engines and captivating user interfaces. Our state-of-the-art financial solutions & powerful Analytics Frameworks help to create custom bespoke offerings that are both, value-rich and competitive. Our elite clientele comprises major Financial Institutions, Banks, Broking Houses, Mutual Funds & Life Insurance companies.

Our .fn products include Wallet Wap, Wealth Console and WIT, a content analytics and management tool. These applications in general provide multidimensional portfolio analysis to enterprises and consumers on their desktops and phones. Performance across multiple time frames, asset allocation, tax implications and many more features are included. It also includes investment advice and customer communication within the application.

Our .fn technology is being used by top three online trading portals in India besides several broking and media houses. We derive revenues from product license fee, transaction fee and customization services. We see tremendous potential with the .fn product line in the financial services industry.

MANAGEMENT DISCUSSION & ANALYSIS

The enterprise segment during the fiscal FY 11 generated 10.4% of our total revenues from the above products and .fn solutions.

Electronic Computing to Government Agencies, Financial Institutions, Healthcare Agencies, System Integrators and Value Added Resellers.

GeoAmida is not just a device but it is a suite of E-governance, Financial and Healthcare solutions. With its rich experience in developing versatile & powerful collaboration platforms, we have created a last mile solution to enable governments and enterprises to reach out to their remote consumers. GeoAmida - world's first biometric & smart card enabled, integrated remote computing & transaction platform, running on Linux is created to serve this purpose. GeoAmida is an 'innovation suite' designed with highly functional state-of-the-art design, a fully-developed GeoAmida Alchemy SDK, and the openness of underlying Linux OS, to give enterprises and consumers the Perfect Last Mile Solution to reach the unreachable.

GeoAmida has been successfully sold to System Integrators, State and Central Government agencies, Banks & Financial Institutions, Enterprises for supply chain management etc. GeoAmida is fully compliant with Aadhaar (UID specification). We have been extremely successful in providing GeoAmida-based solutions to a diverse market segment and reorienting the device to suit the needs of multiple industries.

The Government of India has launched several initiatives to mainstream the marginalized sections of the country. A last-mile connectivity device such as GeoAmida is an integral part of these initiatives. Geodesic estimates a requirement for more than 4 million devices across Rural Employment Guarantee Act, Public Distribution System, Education, Financial Inclusion and Micro Finance, Healthcare, Census, etc., in the next three years.

We recognize revenues from the sale of the devices including software and customised solutions we package along with the device. A support fee post the warranty period is also part of revenue recognition.

The Electronic Computing business along with software solutions and customization accounted for 15% of our total revenues from the above products.

Chandamama – a prestigious children's magazine we acquired, has increased its subscription base three fold across multiple languages and regions. Chandamama content is in the process of being digitized and mobilized to ensure Chandamama is a big part of the new media space. Chandamama has entered into agreements with top media houses to jointly convert the magazines into animation for movies, series and mobile episodes.

Chandamama is in the process of internationalizing its content and plans to deliver this content over the electronic medium including mobile phones and tablets. We have remodeled our offline distribution channels to maximize its reach besides actively promoting

Chandamama products on online stores and www.chandamama.com.

Chandamama during the last fiscal, ported a downloadable application that pushes new content to Chandamama subscribers. The application can be downloaded from the Chandamama site. It has been downloaded in over 78 countries.

We attribute Chandamama revenues to subscriptions, sale of magazines and content licensing. Chandamama, during the fiscal FY11, generated 0.2% of our total revenues.

A strong and conservative treasury management policy led to Geodesic earning 1.4% of our total revenues during this period.

FINANCIAL HIGHLIGHTS FY2011

Revenues: We grossed revenues of ₹ 887.93 crore in FY 2011, an increase of 37% as against ₹ 650.05 crore in FY 2010.

Net Profit: Net Profit after Exceptional Income of ₹ 273.72 crore in FY 2011 as against Net Profit of ₹ 223.70 crore in FY 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 for FY 2011, stands at ₹ 30.06 as compared to ₹ 24.25 in FY 2010.

Dividend: Due to our strong commitment of rewarding shareholders, improved earnings and market outlook as well as our strong financial position and cash generating capabilities, we are glad to recommend a payment of final dividend @ ₹ 1.40 per share. We had declared an Interim Dividend of ₹ 1.35 per share of face value of ₹ 2/- on 11th February, 2011 which was duly paid on 4th March, 2011.

Buyback of Equity Shares: We completed the Buy Back plan and our Company bought back 21,05,000/- Equity shares aggregating to ₹ 207,077,740/- (Rupees Twenty crore Seventy Lakh Seventy Seven Thousand Seven Hundred Forty Only) which is within the limits specified.

FCCB Issue: We 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"). We have 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.

MANAGEMENT DISCUSSION & ANALYSIS

Geodesic Employees Stock Options Plan 2002:

During the year, out of the total options granted and vested, employees have exercised 2,550 options that are converted into even number of equity shares of ₹ 2/- each. A total of 34,37,118 options are outstanding to be exercised under the ESOP plan as on 31st March, 2011

Expenses: Total expenses as a percentage of revenues at ₹ 611.17 crore in fiscal FY 2011 as compared to ₹ 434.71 crore in fiscal FY 2010, increased as the Company continued to develop new products and upgrade the existing ones. We expect our cost of expenditure to increase primarily as a result of forecasted increase in marketing cost, distribution and user acquisition costs, research and development and staff costs, data center costs and credit card and other transaction fees.

Depreciation: Depreciation on Testing, Tooling and other computer software is provided for at ₹ 99.78 crore as per the rates prescribed under the Companies Act, 1956.

Income Tax: 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.

MAT (Minimum Alternative Tax): MAT paid in accordance to the tax laws, which gives rise to the future economic benefits in the form of adjustment of future income tax liabilities, is considered as an asset if there is convincing evidence that the Company will pay normal 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 was eligible for 100% tax holiday under Section 10A of the Income Tax Act, 1961 until March 2011. The Company has started operations in SEEPZ (a designated SEZ in Mumbai) from end of September 2008 and entitles us to a 100% tax holiday until March 2019 under Section 10AA of the Income Tax Act, 1961. As a result, deferred tax arising out of timing differences originating and reversing during the tax holiday period is not recognized.

VAT (Value Added Tax): VAT assessment has taken place during the financial year 2010-11 for earlier years and as per the provisions of MVAT Act, 2002 the input credit claimed by the Company was disallowed. As a result, during the current year the Company on a conservative basis has not claimed any input VAT credit and the balance in the said account pertaining to the current year has been transferred to appropriate expense heads.

Capital Expenditure: During the year, Company invested ₹ 10.82 crore in internally generated software, ₹ 9.73 crore in Testing & Tooling Software, ₹ 1.18 crore in other software, ₹ 0.02 crore in Patents and IPR, ₹ 30.88 crore in Tangible Assets and ₹ 47.30 crore was Goodwill created on consolidation.

TRENDS IN OUR BUSINESS

Our business has grown significantly since inception, resulting in substantial increase in revenues. However,

our revenue growth has been moderate over the last few quarters as a result of a number of factors including volatility in global economy, increased competition, new development initiatives and enhanced sales cycle.

We are now focused on building solutions for mobile and tablet screens. In fact, we are extremely excited about opportunities being presented to us due to a strong combination of hardware and software solutions. We believe we now have the ability to create unique user experiences around education, healthcare, gaming and law enforcement solutions and make an impact in the newer market segments we wish to address.

We have taken effective steps to ensure consistent revenue growth rate by focusing on the fundamentals of cost control, launch of new products, cash optimisation and return on capital. These measures have resulted in excellent organic profit growth and a healthier balance sheet.

This has helped us penetrate newer markets. 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 experiences. We expect to continue to improve in this sphere 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. 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 offerings, expertise in engineering and other functional areas.

Our full-time employee head count has increased over the last 12 months, growing to 700+. We have recently made efforts to improve the discipline of our hiring process and we expect to continue to invest in our business, research and development of new products and services. However, these initiatives may cause our operating margins to decrease.

We have worked on an optimized foreign exchange hedging program that is designed to reduce our exposure to fluctuations in foreign currencies.

OPERATIONAL HIGHLIGHTS

Product Launches

We have been constantly reorienting our products to cater to the growing needs of a diverse market. We have in the fiscal FY 2011, launched a slew of products,

MANAGEMENT DISCUSSION & ANALYSIS

services and solutions in the lucrative mobile and online gaming segment, financial services segment, E-governance initiatives segment, communication and productivity segment for the enterprise and retail markets.

We have expanded our Electronic Computing division to include Automated Cluster Utility Meter Reading to ensure profitability and prevention of loss of energy to utility companies. ENLYTE – our education device has passed rounds of alpha testing and has entered the crucial phase of beta testing. We are confident about launching the device in Fiscal FY 2012 and catering to one of the biggest and untapped market segments in the world.

We have been working on Cloud Computing and have been successful in migrating audio and video to the cloud. During the next fiscal, we plan to migrate our Communication, Collaboration, Content Analytics and CRM to the cloud to ensure tremendous cost savings to enterprises and the SME market.

Our foray into Cluster Management has opened new avenues. We have incorporated **Geodesic Gridpoint Energy Private Limited** and have launched **Automated Cluster Management System** to automate energy / utility meter reading and improve operating efficiency for power and utility companies around the globe.

Diversifying further, we have made a foray into the field of mobile and online gaming. We launched Carrom MP – an exciting multiplayer board game app for the Apple iPad. **Carrom MP** has scaled to the top of the App Store charts in India and Saudi Arabia and to a top 100 position on the US App Store (a first for any Indian company).

We have launched a cloud based version of **Mundu Wallet**. A tool primarily targeted at the ever-growing BFSI and Investment Broking Houses, it is a Personal Portfolio Management application coupled with analytics and personalized content. Users can access Mundu Wallet across multiple devices.

Spokn VMS – a unique Voice Messaging Service was launched. It enables Spokn users in 32 countries to send a voice message through a call to any phone in the world and get a reply through the same call. Spokn VMS was reoriented to cater to the huge Facebook community and was launched as a Facebook application allowing its users to record a voice message and post it to their walls or their friends' walls.

Spokn VMS was launched by Vodafone as a voice based value added service where Vodafone users could record a voice message on their phones and post the message to their walls using their cell phones without the need for data connectivity on their phones.

During the fiscal FY 11, we upgraded **Continuum** – an enterprise wide comprehensive Unified Communication, Collaboration, CRM and content analytics suite, by adding a powerful Contact Management System and the

next generation of social CRM (CRM 2.0) as part of the offering. We are confident that the new Continuum will open up new vistas for Geodesic.

During FY11, we have expanded our operations in South America, Middle East and African markets. We have added various clients across all segments including **Entel PCS** (Chile's largest mobile operator), **America Movil** (World's third largest Telecom carrier) and **BrightStar Corp**. Some of the other deals include: **Big TinCan Limited**, an Australian mobile applications developer; **OpenPeak Inc.**, a leading provider of multimedia touch-screen devices and device management platforms in Florida; **Universal Microelectronics Co. Ltd. (UMEC)**, a Taiwanese giant, to implement Mundu Radio for their Android tablet; **Airtel** to launch Spokn VMS as a tool that allows its subscribers to post voice messages on their and their friends' Facebook profiles; **Qualcomm**, a telecommunications company, to provide Mundu IM for the Brew MP platform, besides several Banks and Financial Services companies, and large corporations.

We signed an agreement with **HRH Prince Abdullah Bin Mosaad Bin Abdulaziz Al-Saud**, of Saudi Arabia to market our Electronic computing, Utility cluster management systems and mobile value added services in the growing Middle East markets.

Geodesic forged alliances with **AudioBras, Portal Radios and RadiosBR, International** for content to stream music across multiple languages and genres.

Geodesic forged an alliance with **Business Promoters LLC**, Muscat to market our financial services, products and solutions in the Middle East.

GeoAmida solutions have found a mark outside India for remote healthcare, financial inclusion and micro finance segments. GeoAmida solutions have been piloted and deployed in Ethiopia, Kenya, Lagos, Spain and El Salvadore.

SUBSIDIARIES:

Geodesic and its subsidiaries follow a consistent work ethos with a sprinkling of region / country specific culture added in to enhance the fun quotient across Geodesic companies. No wonder then, the whole of Geodesic across countries was rooting for Uruguay at the Football World Cup championship and for India to win the Cricket World Cup. Geodesic and its subsidiaries reflect our philosophy of innovation, adept to change, and quick response to customer needs.

Our subsidiaries include the following:

Chandamama India Ltd, one of the best known children's magazines, has improved its subscription base across multiple languages and has adorned a new avatar. The monthly magazine has got digitized. Launched on Apple's iTunes App Store, Chandamama can now be read and heard on the iPhone, iPad and iPod Touch in English and nine regional languages. Chandamama will soon be accessible on other platforms too – tablet and

MANAGEMENT DISCUSSION & ANALYSIS

mobile. To expand its reach further, the magazine is also concentrating on social networking. The magazine is also planning to enter the 3D world of animation in print and other media.

FilmOrbit.com India Pvt. Ltd. was incorporated to enter the Bollywood content space. It enables consumers to 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.

Geodesic Gridpoint Energy Pvt. Ltd. is in the business of developing various energy saving products. Incorporated to address the growing concerns of energy losses in transmission and distribution systems, we foresee many opportunities in the production of non-conventional sources of energy in the country and the need for conserving the same.

Over the last 12 years, we have diversified our operations in the international market through mergers, acquisitions and through our own offices. We have eight step-down subsidiaries including Geodesic Information Systems Inc, USA, Geodesic Hong Kong Limited, Hong Kong, Interactive Network International, British Virgin Islands, Publicidad Digital SA, Uruguay, Geodesic Technology FZE, Dubai and Emiloto Associated Inc., Panama.

We added two more companies to our Geodesic family during the year – Spokn Communications Pte. Ltd., Singapore and Zomo Technologies Limited, British Virgin Islands.

Spokn Communication Pte. Ltd., Singapore, provides the most comprehensive internet telephony service, Spokn, with a host of breakthrough features that will change the way voice communication is used forever. It is a new generation service that bridges traditional Public Switched Telephone Network (PSTN) and Voice over Internet Protocol (VoIP) services.

We strongly believe Spokn has the potential to redefine the way voice communication and the Internet synergize. It completes our suite of communication services adding Voice to the current portfolio of: Email, Internet Messaging (IM) and SMS offerings keeping us in the forefront of communications providers.

Zomo Technologies Ltd. was incorporated in British Virgin Islands to cater to a new market segment in the Middle East. Zomo Technologies will cater to the mobile telephony markets and the Banking & Financial Services segments.

ASSOCIATE COMPANIES

ITM Digital Private Limited was incorporated as a Joint Venture between ZEE Entertainment Enterprises Limited and Geodesic Limited to offer applications for delivery of content to mobile and internet devices through Mundu TV. Due to lack of co-ordination between ZEEL and Geodesic, on mutual understanding and consent, both the Companies decided for the severance of the Joint

Venture Agreement. The Deed of Cancellation was signed on 18th April, 2011. Our holdings in ITM Digital Private Limited were transferred to ZEEL as a mark of separation.

A step-down subsidiary of Geodesic Ltd., **Republique Media Pvt. Ltd.** is India's one stop shop for online anti-piracy solutions for films, television and other content dissemination channels. It has an affiliation with over 10 Indian production houses and has recently commenced operations in the South East Asian market. Geodesic's online anti-piracy solutions have been used in over 50 large feature films so far.

AWARDS & RECOGNITION:

Over the years we have understood how valuable our commitment to innovation has been in the growth of the company. It is clearly visible in the range of products we have developed and the milestones we have achieved in a short time.

Our efforts have been recognized and rewarded around the world. We have won several awards for our products.

- Mundu TV has bagged the Numero Uno position in the **Entertainment Application** category on the Apple App Store and has been ranked #2 across all categories on the Apple App Store. It is one of the top rated entertainment applications on the Nokia's OVI store too. It was also #1 in **NDTV's '10 Apps For Every Indian'**.
- Geoamida won the **NASSCOM India Leadership Forum 2010** and its project was nominated for the **PC Quest Best IT Implementations** in the field of Mobility and Field Force Automation Projects.
- We were ranked amongst **Deloitte Technology Fast 50 India 2010 Program** and Fast 500 Asia Pacific 2010 Program and was featured in **Data Quest TOP 200 Companies of the Indian IT Industry**.

OUR STRENGTH

Human Capital is an integral part of our organizational strategy. From the beginning we have inculcated a culture of intrapreneurship. A vital factor in our growth and development, we have a scalable recruitment and resources management process. This procedure ensures we attract and retain high calibre professionals.

We encourage challenges, healthy competition and constructive rule-breaking. Our modular Communication, Collaboration, Information and Content platforms, and our wide spectrum of products offer our employees ample opportunities to grow and flourish. We adopt interactive human resource management and participation which enables us to keep our attrition rates at the lowest. We have hired more than 70 professionals in 2011.

KNOWLEDGE MANAGEMENT

Knowledge Management (KM) allows Geodesic minds to tie together the collective experiences and

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knowledge towards better product delivery, individual and organizational excellence. Here, knowledge is created and shared in a supportive environment where creativity and innovation are highly valued.

STRATEGY GOING FORWARD

Our businesses have grown rapidly over the past decade and our strategy of partnering with like-minded companies, system integrators and popular web stores in distributing our products has resulted in consistent revenue and earnings growth. We will continue this strategy going forward in FY 2012.

We are and will be investing heavily in building the necessary system and network infrastructure required to manage our growth. We will continue to invest in our research and development programs to build products that will increase our presence in international markets including developing countries. We have acquired and expect to acquire businesses and technologies as and when the opportunity presents itself.

We will continue to invest in talented people to stay ahead of 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, a mix of products and services sold, and the ability to effectively integrate acquired businesses and industry trends.

Product Development and Technological Change: Continual change and improvement in software connectivity and hardware technologies characterize the markets for communication and collaboration systems. Our future success will depend largely on our ability to increase these capabilities and enhance our existing products on a timely basis to meet the increasingly sophisticated needs of our customers.

Attracting and Retaining Technical Personnel: We have always successfully hired the best talent from across the globe. However, we 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: Catering to a market that is constantly and rapidly changing, we face formidable competition in every facet of our business. It is particularly from companies seeking to connect people throughout the world over IP based Communication and Collaboration on multiple platforms. There is increased competition from other Mobile VAS providers that are innovating and / or developing mobile applications and technologies. These factors could adversely affect our operating results through price reductions or loss of market share.

Though our product offerings are unique, due to constant technological changes we will continue to encounter competition. As we offer a wide array of web and mobile products and services, we compete directly with new as well as established companies which offer similar Communication, Collaboration, Content and Entertainment services.

However, we have a well integrated, advanced platform that includes Content Management, Communication, Collaboration and a CRM module across platforms. This will help us stay ahead of competition.

Dependence on Alternate Distribution Channels: We market and sell our products through our direct sales organization, independent value added resellers, OEMs and system integrators. A substantial portion of our revenue is generated through sales to dealers and OEMs. Reduction in the sales efforts of our major dealers and/or OEMs, or termination or changes in their relationship with us, can have an adverse effect on the results of our operations.

Reliance on Key Vendors: We depend upon the reliability and viability of a variety of software development tools owned by third parties to develop our products. If these tools are inadequate or are not properly supported, our ability to release competitive products in a timely manner can be adversely effected. Also, certain parts and components used in our hardware products are purchased from single suppliers. Complete dependency from a single source may have an adverse effect on our operating results.

Account Receivables: The Company has trade receivables outstanding with Cellular Network Carriers, Handset Manufacturers, Government Agencies, System Integrators and value-added Resellers. Our billing cycle is quarterly and the payment cycles for the above mentioned segments are prolonged. Geodesic is working on introducing newer methods of billing cycles and optimizing report generation to reduce the receivables cycle.

**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, 2011 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.

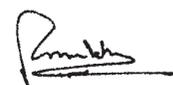
Place : Mumbai
Date : 29th August, 2011



Pankaj Kumar
Chairman



Kiran Kulkarni
Managing Director



Prashant Mulekar
Executive Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 11th Annual Report (post demerger) of your Company on the business and operations together with the audited results for the year ended 31st March, 2011.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2010-11 are tabulated below:

(₹ In Lacs)

Particulars	Year ended 31st March	
	2011	2010
	Audited	Audited
Net Sales/ Income from Operations	67,161.21	48,747.79
Other Income	142.09	1,575.64
Total Income	67,303.30	50,323.43
Total Expenditure	37,526.76	25,528.55
Gross Profit before Interest, Depreciation and Taxes	29,776.54	24,794.88
Finance Cost	3,752.76	3,720.94
Depreciation & Amortization	2,265.33	4,480.86
Profit before Tax	23,758.45	16,593.08
Provision for taxation	15.00	-
Profit before Deferred Tax	23,743.45	16,593.08
Deferred Tax (Credit) / Charge	287.50	(189.30)
Prior period expenses	(6.73)	92.06
Net Profit after Tax	23,462.68	16,690.33
Exceptional Income	-	797.97
Net profit after Exceptional Income	23,462.68	17,488.30
Appropriations:		
Balance brought forward	53,005.44	39,150.43
Transfer to General Reserve	2,346.27	1,748.90
Dividend:		
- Interim (equity)	1,216.91	691.83
- Final (equity)	1,261.98	922.44
Tax on Dividend:		
- Interim (equity)	-	117.58
- Final (equity)	(1.45)	152.46
Balance carried to Balance Sheet	71,644.41	53,005.44
Paid - up equity share capital	1,802.83	1844.88
Reserves excluding revaluation reserves	95,129.27	75,191.22
Earning per share (number)	25.77	18.96
Diluted Earning per share (number)	25.67	18.86

REVIEW OF OPERATIONS:

During the year 2010-2011, your Company's volumes have improved across businesses as the global economy stabilised. Consumer confidence has returned in many of the markets, albeit cautiously. During this year, your Company's focus on the fundamentals of cost

control, launch of new products, cash optimisation and return on capital, has resulted in excellent organic profit growth and a stronger balance sheet.

Your directors take this opportunity to state that your Company is currently doing excellent progress in creating and designing new products and solutions, and increasing its business base. Your Company has grossed revenues of ₹ 8879 million in FY 2011, an increase of 37% over ₹ 6500 million for fiscal 2010. Your Company's net earnings grossed ₹ 2737 million in FY 2011, an increase of 22% over ₹ 2237 million for fiscal 2010.

PRODUCT LAUNCHES

Your Company has expanded its Electronic Computing division to include Automated Cluster Utility Meter Reading to ensure profitability and prevention of loss of energy to utility companies. **ENLYTE** – the education device has passed rounds of alpha testing and has entered the crucial phase of beta testing.

Your Company has been working on Cloud Computing and has been successful in migrating audio and video to the cloud. During the next fiscal, your Company plans to migrate its Communication, Collaboration, Content Analytics and CRM to the cloud to ensure tremendous cost savings to enterprises and the SME market.

Your Company's foray into Cluster Management has opened new avenues. It has incorporated **Geodesic Gridpoint Energy Private Limited** and has launched Automated Cluster Management System to automate energy / utility meter reading and improve operating efficiency for power and utility companies around the globe.

Diversifying further, your Company has made a foray into the field of mobile and online gaming. It launched **Carrom MP** – an exciting multiplayer board game app for the Apple iPad.

Your Company has launched a cloud based version of **Mundu Wallet**. A tool primarily targeted at the ever-growing BFSI and Investment Broking Houses, it is a Personal Portfolio Management application coupled with analytics and personalized content. Users can access Mundu Wallet across multiple devices.

Spokn VMS – a unique Voice Messaging Service has been launched. It lets Spokn users in 32 countries send a voice message through a call to any phone in the world and get a reply through the same call. Spokn VMS has been reoriented to cater to the huge Facebook community.

During the fiscal FY11, your Company has upgraded **Continuum** – an enterprise wide comprehensive Unified Communication, Collaboration, CRM and Content Analytics suite, by adding a powerful Contact Management System and the next generation of social CRM (CRM 2.0) as part of the offering.

DIRECTORS' REPORT

During FY11, your Company has expanded its operations in South America, Middle East and African markets. It has added various clients across all segments including Entel PCS, America Movil, BrightStar Corp. Some of the other deals include: Big TinCan Limited, OpenPeak Inc., Universal Microelectronics Co. Ltd. (UMEC), Airtel, Qualcomm, besides several Banks, Financial Services companies, and large corporations.

GeoAmida solutions have found a mark outside India for remote Healthcare, Financial Inclusion and Micro Finance segments. Its solutions have been piloted and deployed in Ethiopia, Kenya, Lagos, Spain and El Salvadore.

AWARDS

- Mundu TV was ranked the # 1 Entertainment Application on the Apple App Store in the entertainment category and was ranked #2 across all categories on the Apple App Store. Mundu TV was ranked the number one application in NDTV'S '10 Apps for every Indian'.
- Computer Active ranked Mundu IM Pro as The Best IM for iPhone.
- Business Standard listed Mundu Radio amongst the top 10 Internet radio stations.
- Your Company was ranked amongst Deloitte Technology Fast 50 India 2010 Program and Fast 500 Asia Pacific 2010 Program.
- Your Company was ranked amongst Data Quest TOP 200 Companies of the Indian IT Industry.
- GeoAmida won the NASSCOM India Leadership Forum 2010.
- GeoAmida project was nominated for the PC Quest Best IT Implementations in the field of Mobility and Field Force Automation Projects.

Your Company believes in setting realistic goals and executing plans in a meticulous manner. It is this outlook coupled with the innumerable efforts that your Company has taken to go beyond conventional ways that has enabled it to achieve its objectives.

True to its name – Geodesic – where triangles add to the sphere, distributing the stress across the structure, making it strong – the more your Company diversifies, the more it progresses, adding various companies to its mother brand, the more solid and strong it becomes.

DIVIDEND

Your Directors believe that growth of the Company through capacity addition, backward and forward integration and strategic diversification of its operations would lead to increase in shareholders value.

Due to the strong commitment of rewarding shareholders, improved earnings and market outlook as well as Geodesic's strong financial position and cash generating capabilities, your Directors are glad to recommend the payment of final dividend @ ₹ 1.40 per share. The out-flow towards Dividend payment including tax on distributable profits would amount to ₹ 147.65 Million.

The Board of Directors of the Company had declared an Interim Dividend of ₹ 1.35 per share of face value of ₹ 2/- on 11th February, 2011 which was duly paid on 4th March, 2011.

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.

Transfer to Investor Education and Protection Fund (IEPF)

According to Section 205C of the Companies Act, 1956, the outstanding amount of the Dividend paid to the shareholders should be retained in the Unpaid Dividend Account of the Company for 7 years. At the end of 7 years, the balance amount should be transferred to the Investor Education and Protection Fund established and maintained by the Central Government of India.

The Unpaid Dividend amount of ₹ 1436/- for the Interim Dividend for Financial Year ended 2003-04 was duly transferred to the Investor Education and Protection Fund during the year.

TRANSFER TO GENERAL RESERVE

Your Company proposes to transfer ₹ 2,346.27 Lacs (10% of the net profit) to the General Reserve out of the amount available for appropriations and an amount of ₹ 71,644.41 lacs is proposed to be retained in the Profit and Loss Account.

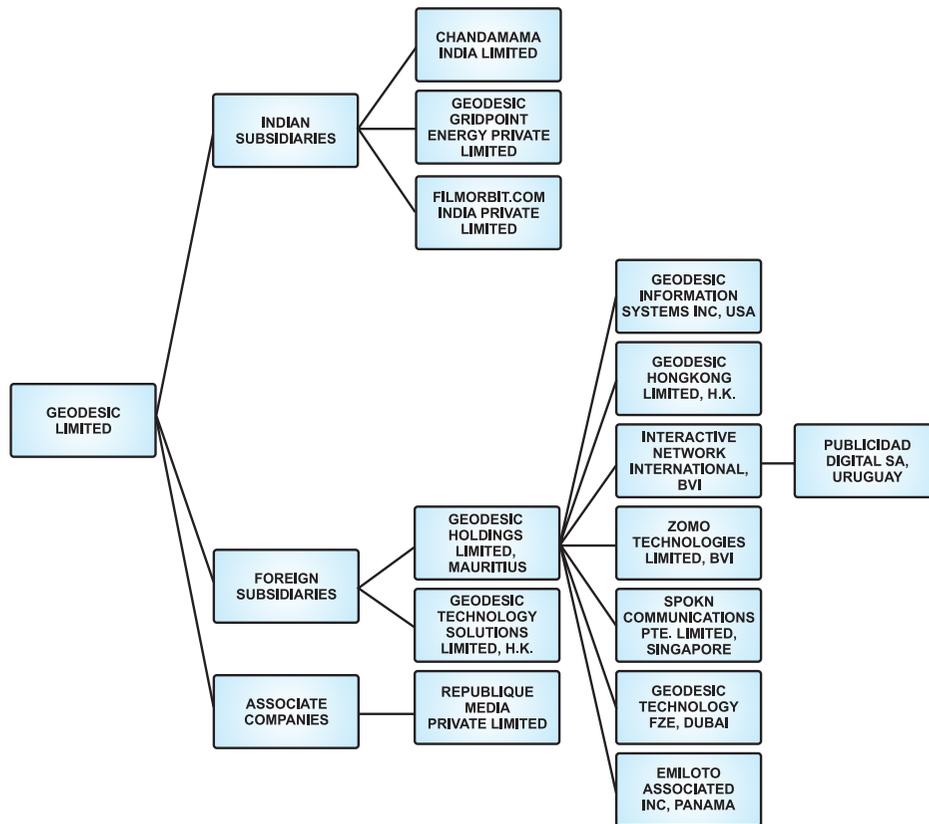
GEODESIC WORLD

Your Company has, over the years evolved as global corporation by making its presence felt in most of the continents across the globe. Since its incorporation your Company has grown tremendously in all aspects. Your Company has 3 Indian Subsidiaries, 2 Foreign Subsidiaries, 8 Foreign Step Down Subsidiaries and an Associate Company.

INDIAN SUBSIDIARIES

Your company has been supporting innovative ideas all across, whether they are developed internally within the company or by supporting and acquiring innovative companies. Your Company has always been aware of its social responsibilities and engages its resources and manpower to promote all technological innovations that make life simpler, faster and cost effective across web, desktop and mobile platforms. At the same time, we

DIRECTORS' REPORT



work towards preserving the cultural heritage of India as is evident from magazines published by our subsidiary – Chandamama. Innovation is crux of Geodesic’s business and each of Geodesic subsidiaries portray the same in their diversified businesses. From digitizing the contents of childrens’ magazine and converting them to the virtual world content to communicating and collaboration over internet mediums; From CRM to collaborating and aggregating entertainment content; From Mundu TV to anti-piracy software; From remote computing transaction platforms to energy saving products; each business of your Company’s subsidiaries speaks for itself.

CHANDAMAMA

Chandamama is one of the best-known monthly children’s magazine since 1947. It was taken over by your Company in 2007 and since then the revamping of the magazine has taken place in terms of language, presentation, artwork, and content. New books and characters have been added to the library and lots of effort have gone to make these data available on virtual medium to keep pace with changing needs of the time. The ways of entertainment and education have changed over the years and Chandamama has been trying to keep up with the changing environment and incarnating its new avatar to suit today’s readers. This is why Chandamama has successfully launched its English as well as regional version of its magazines on the net

and on itunes which can be downloaded on iPhones and ipads. The Chandamama app on Apple App Store, clocked more than 3000 downloads within 3 weeks of its launch in the end of July. The growing popularity in terms of the increasing number of downloads and paid subscriptions, the app is in process of being developed on various platforms as well. Soon the Chandamama app is expected to be available on the Android app store.

Chandamama website is now available in 7 different languages and would support various other languages in future. Chandamama’s management is also planning to launch Chandamama comics and audio stories on the internet and mobile platform in near future. Plans are up to bring the various characters of Chandamama to life in the form of animation series, movies, on TV and mobile. Chandamama is also planning to enter the world of 3D animations in print and other media. Your Company is of the opinion that the pace at which Chandamama is growing, it will soon touch new heights.

FilmOrbit.Com

FilmOrbit.Com India Private Limited is into Bollywood content space which enables the consumers to 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. During

DIRECTORS' REPORT

the year, the Company launched its beta website that powers a unique content discovery, engagement and consumption experience around films. The website has received critical acclaim from a core group of users, and has served up over 1 million page views since launch. The site has proven to be a high-engagement site, with users spending an average of 10 mins on the site (compared to much lower numbers on the competing sites). The Company is now in the process of executing the public launch of the website.

Filmorbit became a subsidiary of your Company as a result of allotment of 3,15,000 equity shares to the company. Your Company now holds 88% of equity shares of Filmorbit. During the year, the Company increased its Authorised Capital from ₹ 20,00,000/- to ₹ 75,00,000/- which was approved by the shareholders in their extra ordinary general meeting held on 13th January, 2011.

GEODESIC GRIDPOINT

Geodesic Gridpoint Energy Private Limited was incorporated with a view to develop and promote technology related to energy and measuring and monitoring energy usage and efficiency. Your Company is exploring opportunities to utilize the talent and research of this company and help in providing complete solution to aid energy right from generation to distribution and minimizing losses. The company is also exploring opportunities in production of non conventional sources of energy and other means, so as to enable overall development in the country.

During the year, the authorised capital of the Company was increased from ₹ 25,00,000/- to ₹ 50,00,000/- by the shareholders in their extra ordinary general meeting held on 10th January, 2011. The Company allotted 1,96,000 Equity Shares to Geodesic Limited on 15th February, 2011. Accordingly, the shareholding of your Company in Geodesic Gridpoint Energy Private Limited increased to 2,45,999 Equity Shares.

FOREIGN SUBSIDIARIES

Over the years, your Company has diversified its operation in the International Market through mergers, acquisitions, opening of branch offices, etc. Your Company has 8 step down subsidiaries including Geodesic Information Systems Inc, USA, Geodesic HongKong Limited, HongKong, Interactive Network International, British Virgin Islands, Publicidad Digital SA, Uruguay, Zomo Technologies Limited, British Virgin Islands, Spokn Communications Pte. Limited, Singapore, Geodesic Technology FZE, Dubai, Emiloto Associated Inc., Panama.

2 Companies were added to the Geodesic family during the year namely Spokn Communications Pte. Limited, Singapore and Zomo Technologies Limited, British Virgin Islands.

SPOKN COMMUNICATION PTE. LIMITED

Spokn Communication Pte. Limited, Singapore is the most comprehensive service internet telephony service to date with a host of breakthrough features that will change the way voice communications is used forever. Spokn is a new generation service that is a true bridge between traditional Public Switched Telephone Network (PSTN) and Voice over Internet Protocol (VoIP) services. Spokn frees internet telephony from the tyranny of the computer giving users the benefit of inexpensive internet calling rates on a wide variety of devices – mobile phones, smart phones, regular land lines in addition to computers. The Spokn users can receive incoming calls on any or all of these devices simultaneously, keeping Spokn users in touch whether they are online or not.

Your Directors strongly believe that Spokn has the potential to redefine the way voice communications and internet synergize. Spokn completes Geodesic's suite of communication services adding Voice to the current portfolio of email, Internet Messaging(IM) and SMS offerings keeping Geodesic in the forefront of communications providers.

ZOMO TECHNOLOGIES LIMITED

Zomo Technologies Limited was incorporated in British Virgin Islands. It serves as an investment arm for your company in the area and helps in identifying prospective technology companies that will help synergy with your company's business.

ASSOCIATE COMPANY

REPUBLIQUE MEDIA PRIVATE LIMITED

Republique Media Private Limited, an associate company of Filmorbit.com India Private Limited, is India's ONE stop for Online Anti-Piracy Solutions for Films, Television and other Content dissemination channels. It has affiliation with over 10 Indian Production houses and has recently commenced operations in South India.

The solutions offered by Republique Media Private Limited are highly scalable and counter all technologies used by internet pirates including *Blogs, Websites, Cyberlockers, Link Sites, Social Forums, Newsgroups and all major P2P Networks.*

The successful projects for controlling Online Piracy for many films includes **Housefull, Rajneeti, Raavan, Once Upon A Time In Mumbaai, Dabangg, Rakht Charitra, Golamaal 3, Dhobi Ghat, Pyaar Ka Punchnama, Shaitan, Chillar Party.** Republique Media Private Limited also has exclusive partnerships with the world best in Anti-Piracy; DtecNet which is used by the MPAA,

DIRECTORS' REPORT

RIAA, IFPI and the BSA to fight piracy. Republic Media delivers services that are vastly superior in Scale, Accuracy and Effectiveness and is capable of eliminating up to 90% of Online Piracy.

ITM DIGITAL PRIVATE LIMITED

ITM Digital Private Limited was incorporated as a Joint Venture Company between ZEE Entertainment Enterprises Limited and Geodesic Limited to offer applications for delivery of content to mobile and Internet devices through Mundu TV. This company was to address the hugely growing market for multimedia content convergence across Internet, Television and Mobile phones. Due to change of views and methodologies of functioning, the JV agreement was mutually terminated. Also, your Company's holdings in ITM Digital Private Limited was transferred to ZEEL as a mark of Separation.

SECTION 212

The Ministry of Corporate Affairs, Government of India, vide its General Circular No. 2/2011 dated 8th February, 2011 has granted General Exemption to attach various documents in respect of subsidiary companies, as set out in sub-section (8) of Section 212 of the Companies Act, 1956. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, on request in writing, the Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company and its subsidiaries who may be interested in obtaining the same. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies. A statement as required under the section disclosing the details of the subsidiaries are attached herewith.

COMPANY FINANCE

Equity Share Capital

The paid up equity share capital of your Company is ₹ 1802.83 Lacs divided into 90,141,349 equity shares of ₹ 2/- each from ₹ 1844.88 Lacs divided into 92,243,799 shares of ₹ 2/- each (as on 31st March, 2010). During the year, your Company bought back 21,05,000 Equity Shares of ₹ 2/- on account of Buy – Back of securities. 2,550 Equity Shares were allotted to the employees of your Company on account of ESOP Conversion. The In – Principle approvals from The Stock Exchanges were taken and the securities were duly listed.

The Capital Evolution of your Company during the year is as follows:

Particulars	No of shares	Total
Bal as on 1 st April, 2010	9,22,43,799	9,22,43,799
Less : Buy – Back of Shares	21,05,000	9,01,38,799
Add: ESOP Conversion	2,550	9,01,41,349

BUYBACK OF EQUITY SHARES

The Board of Directors of your Company, in its meeting on 26th November, 2010, declared the completion of Buy Back process. Your Company bought back 21,05,000/- Equity shares aggregating to ₹ 207,077,740/- (Rupees Twenty Crores Seventy Lakh Seventy Seven Thousand Seven Hundred Forty Only) which is within the limits specified. The company bought back 2.28 % of its pre buyback equity in the entire process.

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

An ESOP, Employee Stock Option Plan, is an employee benefit plan which allows the employees of the company to hold part ownership of the company and also become beneficiaries of the company's stock. Your Company believes that ESOPs are the most effective form of synergizing the interests of the employees and corporate entity they work for. It is this synergy which motivates employees to give that indefinable "extra" bringing sustained growth and profitability. SEBI has issued guidelines on issue of Employee Stock Option Plan in light of continuous evolution in India and abroad. Accordingly, Your Company implemented the Employees Stock Option Scheme namely Geodesic Employee Stock Options Plan, 2002 in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the SEBI Guidelines).

DIRECTORS' REPORT

GEODESIC EMPLOYEES STOCK OPTIONS PLAN 2002

As on 31st March, 2011, out of the total options granted and vested, employees have exercised 2,550 options that are converted into even number of equity shares of ₹ 2/- each. A total of 34,37,118 options are outstanding to be exercised under the ESOP plan as on 31st March, 2011.

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.

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, 2011:

a) As on 1 st April 2010, options granted and not exercised (in force)	36,32,715 options
b) Options granted during the year:	NIL
c) Pricing formula:	Market price as per SEBI guideline as on date of grant
d) Options vested:	5,00,000 options
e) Options exercised	2,550 options convertible into equity shares of ₹ 2/- each
f) Total number of shares arising as a result of exercise of options	2,550 converted into equity shares of even number of ₹ 2/- each.
g) Options lapsed	1,93,047 options
h) Variations of terms of options	NIL
i) Money realized by exercise of options:	₹ 2.17 Lakhs
j) Total number of options in force:	34,37,118 options convertible into ₹ 2/- each (options granted but not exercised)
k) Employee-wise details of options granted to : (1) Senior managerial personnel: (details enclosed)	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 (details enclosed)	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	25.67

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 March 11	₹ 26.81 – ₹ 210.05	3,437,118	79.62	140.63
31 March 10	₹ 79.82 – ₹ 210.05	36,32,715	91.80	140.97

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) scrip code being GEODESIC in NSE and 503699 in BSE. 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 SMLCAP** indices on BSE.

FIXED DEPOSITS

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

DIRECTORS

Your Company has an optimum mix of 3 Executive and 3 Non-Executive Directors as on 31st March, 2011 in consonance with Clause 49 relating to Corporate Governance of the Listing Agreement with the Stock Exchanges.

Mr. G. Krishnan, Non-Executive and Independent Director of the Company resigned from Directorship w.e.f. 9th April, 2011 due to his preoccupation. Your Board places on record its sincere appreciation for the remarkable efforts and support provided by him.

The terms of employment expired for Mr. Prashant Mulekar, Executive Director, Mr. Pankaj Kumar, Chairman and Mr. Kiran Kulkarni, Managing Director of the Company, on 9th April 2011 and 13th July 2011 respectively. It was renewed for Mr. Prashant Mulekar for a further period of 5 years at same terms and conditions as were laid down in the previous employment agreement by the Board of Directors in their meeting held on 7th April, 2011 and Mr. Pankaj Kumar and Mr. Kiran Kulkarni on 11th July, 2011 subject to the approval of the shareholders in the ensuing Annual General Meeting. A resolution seeking confirmation of the renewal of term of employment of the above 3 Directors has been incorporated in the Notice of the ensuing Annual General Meeting for the shareholders to regularize the renewal.

Mr. Prashant Mulekar retire by rotation at the ensuing Annual General Meeting and being eligible offer himself

DIRECTORS' REPORT

for reappointment in terms of provisions of Articles of Association of the Company. Resolution for his re-appointment will be placed for your approval at the ensuing Annual General Meeting. The brief resume/details relating to the Mr. Prashant Mulekar is 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 700, with people at various levels joining regularly.

We have managed to attract the best brains in the industry. We have strengthened the senior management team, the product management team, the software engineering department and the marketing department. During the fiscal year 2011, we have hired more than 70 people.

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 organizations 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.

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 Ministry of Corporate Affairs has vide notification dated 31st March 2011 enhanced the limits for the purpose of disclosure of particulars of employees in Directors report as requisite under Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975 from the existing limit of ₹ 24 lakh per year or ₹ 2 lakh per month to ₹ 60 lakh per year or ₹ 5 lakh per month.

Accordingly, none of the employees of your Company were in receipt of remuneration during the financial year 2010-11 in excess of the sum prescribed.

CORPORATE GOVERNANCE

Your company perceives Corporate Governance as an endeavor for transparency, and a wholehearted approach towards establishing Professional Management, aimed at continuous enhancement of Shareholders' value.

The Company is fully aware of the significance of "Corporate Governance" in business management. In Geodesic, it represents value framework, ethical framework and the moral framework under which the decisions are taken. Hence, Corporate Governance is high on the agenda of the Company's Board.

The Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.

DIRECTORS' REPORT

DEMATERIALIZATION OF SHARES

Dematerialisation is the process of converting physical shares (share certificates) into an electronic form. Shares once converted into dematerialised form are held in a Demat account.

As per SEBI directive the equity shares are to be traded in demat mode compulsorily by all investors w.e.f. 26th June, 2000.

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

The ISIN of the scrip is INE371D01029. As on 31st March, 2011, 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, Company's operations and administration require electrical energy for power supply to computer systems, in air conditioning, and lighting, which are not energy intensive. During the current financial year the Company has undertaken significant measures to reduce the energy consumption by using energy- efficient machines and equipment. The Company also undertakes evaluation of latest technology and invests in making its infrastructure more energy efficient. 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.

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 qualifications 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, 2011 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.

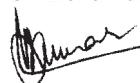
ACKNOWLEDGEMENT

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.

On Behalf of the Board of Directors



Pankaj Kumar
Chairman



Kiran Kulkarni
Managing Director

Place: Mumbai

Dated: 29th August, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Rs. in lakhs

Subsidiary	Exchange rate as at 31 st March 2011	Issued & Subscribed Share Capital	Reserves	Loans	Total Assets	Total Liabilities	Investments Long Term	Investments Short Term	Turnover	Provision for tax	Profit / (Loss) after tax	Proposed Dividend
Geodesic Technology Solutions Limited	1 HK\$ = Rs. 5.73	3,438.00	29,012.82	51,041.72	112,759.76	112,759.76	-	36,480.18	74,707.14	-	8,619.61	-
Geodesic (Hong Kong) Limited	1 HK\$ = Rs. 5.73	1.56	(342.81)	421.09	426.03	426.03	-	-	299.44	-	58.69	-
Geodesic Holdings Limited	1 US\$ = Rs. 44.65	77,362.82	(84.03)	4,266.31	81,559.35	81,559.35	20,957.17	-	3.35	-	(59.72)	-
Chandamama India Limited												
Filmorbit.com India Pvt. Ltd.	INR	1,292.10	(989.09)	86.97	2,014.24	2,014.24	-	-	344.61	-	(200.48)	-
Geodesic Gridpoint Energy Pvt. Ltd.	INR	41.50	(37.93)	65.65	115.44	115.44	0.50	0.50	-	(9.45)	-	-
Interactive Networks International Inc*	INR	24.60	(4.27)	6.61	43.49	43.49	-	-	-	-	(4.27)	-
Publicidad Digital S.A. **	1 US\$ = Rs. 44.65	752.35	(696.34)	-	1,621.27	1,621.27	-	-	100.02	-	(57.91)	-
Geodesic Technology FZE*	1 UP\$ = Rs. 2.30	109.83	115.88	-	321.34	321.34	-	-	390.65	-	59.45	-
Geodesic Information Systems Inc. *	1 AED = Rs. 12.14	3.04	(13.06)	-	35.62	35.62	-	-	-	-	(13.06)	-
Emilioto Associated Inc. *	1 US\$ = Rs. 44.65	1,003.64	(728.04)	-	305.10	305.10	-	-	464.97	-	55.92	-
Zomo Technologies Ltd.***	1 US\$ = Rs. 44.65	4.47	62.11	6,445.39	13,212.64	13,212.64	-	-	126.02	-	60.25	-
Spokn Communications Pte. Ltd.***	1 US\$ = Rs. 44.65	0.45	(48.27)	32,507.43	40,272.91	40,272.91	-	-	-	-	(48.27)	-
	1 SGD = Rs.35.38	35.38	57.85	-	226.66	226.66	-	-	213.93	(0.14)	(25.90)	-

Notes (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.

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

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

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

*** Zomo Technologies Ltd and Spokn Communication Pte. Ltd. were acquired by Geodesic Holdings Ltd during the year. Spokn Communications Pte. Ltd. financials are prepared for 15 months i.e. 1.1.10 to 31.3.11 due to change in accounting period (April to March).

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.	Film Orbit.com India Pvt. Ltd.	Geodesic Gridpoint Energy Pvt. Ltd.
Holding Company's Interest	6000000 shares of HK\$ 1 each, fully paid up	27211 shares of HK\$ 1 each, fully paid up	173265000 shares of US\$ 1 each, fully paid up	12920975 shares of Rs. 10 each, fully paid up	415000 shares of Rs 10 each, fully paid up	246000 shares of Rs. 10 each, fully paid up
Extent of Holding	100%	100%	100%	96.92%	87.95%	99.99%
Date from which they became subsidiary company	21 st November, 2006	20 th December, 2005	8 th April, 2008	7 th May, 2007	9 th February, 2011	13 th January, 2010
The 'financial year' of the subsidiary company ended on	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011	31 st March, 2011
Net aggregate amount of the subsidiary company's profits / (losses) dealt with in the holding company's accounts						
i) For the subsidiary's aforesaid financial year	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						
i) For the subsidiary's aforesaid financial year	HK\$150,429,407 INR 861,960,502	HK\$1,024,193 INR 5,868,626	(US\$ 133,748) (INR 5,971,848)	(INR 20,048,411.00)	(INR 981,339)	(INR 427,296)
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
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

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 (CONTD.)

Name of Subsidiary Company	Interactive Networks	Publicidad Digital S.A.	Geodesic Technology FZE Systems Inc	Geodesic Information	Emiloto Associated Inc	Zomo Technologies Pte. Ltd.	Spokn Communications
Holding Company's Interest	103207 Ordinary shares of no fully paid up	253727 shares of US\$ 1 each fully paid up	25 Shares of AED 1000 each, fully paid up	100000 shares of US\$ 22.47 fully paid up	100 shares of \$100 each, fully paid up	1000 shares of US\$ 1 each, fully paid up	100,000 shares of S\$1 each,
Extent of Holding	100%	100%	100%	100%	100%	100%	100%
Date from which they became subsidiary company	29th January, 2009	29th January, 2009	16th November, 2009	18th August, 2002	12th November, 2008	13th July, 2010	6th September, 2010
The 'financial year' of the subsidiary company ended on	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011	31st March, 2011
Net aggregate amount of the subsidiary company's profits / (losses) dealt with in the holding company's accounts							
i) For the subsidiary's aforesaid financial year	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							
i) For the subsidiary's aforesaid financial year	(US\$ 129,694.32) (INR 5,790,851)	US\$ 137,342 INR 6,132,320	(US\$ 29,315) INR 1,308,915	US\$ 125,240 INR 5,591,966	US\$ 134,949.55 INR 6,025,497	(US\$ 108,103.01) INR 4,826,799	(SGD 73,218) (INR 2,590,453)
Changes, if any, in the holding company's interest in the financial year of the subsidiary and that of the holding company	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

For and on behalf of Board of Directors
GEODESIC LIMITED

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

MUMBAI
Date: August 29, 2011

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Geodesic, we believe that good governance is a key element to enhancing and retaining shareholder's trust, it generates goodwill among business partners, customers and investors and earns respect from society at large. We always seek to ensure that we attain our performance goals with integrity, ethical, legal and business expectations and at the same time fulfill its social responsibilities. We have tried to blend growth and efficiency with Governance and Ethics. We also endeavor to enhance long-term Shareholder value and respect minority rights in all our business decisions.

We believe in system driven performance and performance oriented systems. We believe that our Company shall go beyond adherence to regulatory framework. The Company's philosophy is built on a rich legacy of fair and transparent governance and disclosure practices. The Board has placed best management practices to bring about an atmosphere of accountability. Systems are in place for strategic planning, risk management, financial plans and budgets, internal controls and reporting, communication policies with emphasis on transparency and full disclosure on the various facets of the Company's operations, its functioning and its financials and total compliance with all statutory/ regulatory requirements not only in the letter of the law but also in its spirit. Your Company is committed to the principles of good governance. At the highest level, the Company endeavor continuously to improve upon these aspects.

BOARD OF DIRECTORS

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic supervision of the Company and its subsidiaries. The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

Composition of Board of Directors

The Board of Directors ("Board") of the Company has an optimum combination of Executive and Independent Non-Executive Directors who have an in-depth knowledge of business. The Independent Non-Executive Directors bring an external and wider perspective in Board deliberations and decisions in addition to the expertise in their areas of specialization.

- As on 31st March, 2011, the Company has Six Directors with an Executive Chairman. Of the Six Directors, three are Executive Directors and three are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2011 have been made by the Directors.
- Attendance of Directors at the Board Meeting held during 2010-2011 and the last Annual General Meeting along with their directorship and membership in other companies and committees as on 31st March, 2011.

Name and Designation	Category	Number of Board Meeting during 2010-2011		Whether attended last AGM held on 28 th September, 2010	Number of Directorships in other public Companies	Number of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Mr. Pankaj Kumar Chairman	Promoter & Executive Director	12	12	Yes	–	–	–
Mr. Kiran Kulkarni Managing Director	Promoter & Executive Director	12	12	Yes	3	–	–
Mr. Prashant Mulekar Executive Director	Promoter & Executive Director	12	12	Yes	5	1	2
Mr. Vinod Sethi Director	Independent & Non Executive	12	11	Yes	9	1	6
Mr. Nitin Potdar Director	Independent & Non Executive	12	8	No	4	–	6
*Mr. G.Krishnan Director	Independent & Non Executive	12	4	No	–	–	–

*Mr. G. Krishnan resigned from the Directorship of the Company w.e.f. 9th April, 2011.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Directorships mentioned above do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Shareholders/Investors Grievance Committees.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

BOARD MEETINGS

Twelve Board Meetings were held during the year and the gap between two meetings did not exceed four months. The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. The meetings of the Board of Directors are normally held at the Company's registered office in Mumbai. The dates on which the said Meetings were held are as follows:

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
01.04.2010 to 30.06.2010	01.07.2010 to 30.09.2010	01.10.2010 to 31.12.2010	01.01.2011 to 31.03.2011
09th April, 2010	13th August, 2010	09th November, 2010	04th January, 2011
07th May, 2010	27th August, 2010	26th November, 2010	11th February, 2011
25th June, 2010	28th September, 2010	17th December, 2010	07th March, 2011

All divisions/ departments of the Company are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/ approval/ decision at the Board Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/ Committee meetings.

Recording Minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

Details of remuneration and sitting fees to Directors for the year 2010-11 are as under:

₹ In lacs

Name of Director	Designation	Salary & Perquisites *	Commission	Total
Mr. Pankaj Kumar	Chairman	18.00	NIL	18.00
Mr. Kiran Kulkarni	Managing Director	18.00	NIL	18.00
Mr. Prashant Mulekar	Executive Director	18.00	NIL	18.00

* Includes salary, house rent allowance, contribution to provident/ gratuity/ superannuation funds & approved perquisites. Directors have not been granted any stock options during the year.

Independent Directors are only paid sitting fees to the extent of ₹ 20,000/- for each Board Meeting and ₹ 10,000/- for each Committee Meeting and reimbursement of travelling and out of pocket expenses for attending the Board and Committee Meeting.

Shareholding of Non-Executive Directors

Details of the equity shares held by Non-Executive Directors as on 31st March, 2011 are as under:

Name of Director	Nature of Directorship	No. of Equity shares held	% to the Paid up Capital
Mr. Vinod Sethi	Independent Director	NIL	0.00
Mr. Nitin Potdar	Independent Director	NIL	0.00
Mr. G.Krishnan	Independent Director	NIL	0.00

COMMITTEES	AUDIT COMMITTEE			REMUNERATION COMMITTEE			INVESTOR GRIEVANCE COMMITTEE			COMPLIANCE COMMITTEE			COMPENSATION COMMITTEE			SEXUAL HARASSMENT PREVENTION 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)	Directors	Status	No. of Meetings attended (Total Meetings)	Directors	Status	No. of Meetings attended (Total Meetings)	Directors	Status	No. of Meetings attended (Total Meetings)
PARTICULARS	Attended	Attended	Attended	Attended	Attended	Attended												
	Vinod Sethi	Chairman	5(5)	Nitin Potdar	Chairman	-	G. Krishnan	Chairman	-	Vinod Sethi	Chairman	-	Vinod Sethi	Chairman	0(1)	Radhika Pereira	Chair-person	-
	Prashant Mulekar	Member	5(5)	Vinod Sethi	Member	-	Prashant Mulekar	Member	2(2)	Nitin Potdar	Member	-	Kiran Kulkarni	Member	1(1)	Vinod Sethi	Member	-
	Nitin Potdar	Member	3(5)	G. Krishnan	Member	-				Nitin Potdar	Member	1(1)	Karan Gandhi	Member	1(1)			
DATES OF COMMITTEE MEETINGS	7th May, 2010			No Meetings were held during the year			20th May, 2010			No Meetings were held during the year			4th January, 2011			No Meetings were held during the year		
	13th August, 2010						3rd March, 2011											
	27th August, 2010																	
	9th November, 2010																	
11th February, 2011																		
BROAD TERMS OF REFERENCE	As set out in Clause 49(v) of the Listing Agreements with the Stock Exchanges			Reviews /Recommends remuneration Package, salaries, commission, other Benefits & employment conditions of The Executive Directors			Reviews/Redress shareholders' and Investors' complaints			Monitors & decides on non-compliances of Company's Prevention of Insider Trading Code, Business Ethics & Conduct Code			Formulates, administers and regulates Employee's Stock Option Plan and resolve Matters relating to it			Precautory measure for prevention of incident relating to sexual harassment		
	Also read with Section 292A of the Companies Act, 1956			Complies with provisions of Companies Act, 1956 read with Schedule XIII & non-Mandatory requirement of Listing Agreement			Complaints relates transfer of Shares, Non-receipt of Balance Sheet/dividends, etc.			Monitors & regulates the Statutory Compliances under various laws			Recommends grant of options & allotment of shares to the employee who exercise Vested options			Deals promptly with reports of sexual harassment in a Confidential & discreet manner		
REMARKS	Reviews the Management discussion and Analyses of financial matters			Oversees the performance of Registrars & transfer Agents of the Company			Complaints unresolved : 21						Under the existing ESOP Plan 2002, 2,550 options of ₹ 2 each were granted to the employees as recommended in the Meeting.					
	There was no revision in the remuneration Package, other benefits or service terms & employment conditions of the Executive Directors			Recommends measures for improvement in the quality of investor services			No. of Complaints resolved : 21											
	No stock options were granted to any of the Executive Directors						No. of Complaints unresolved : Nil											
							There were no cases of non-compliance With the code requiring attention of the Committee during the year under review									Mr. Nitin Potdar was elected as the Chairman of the Meeting in absence of Mr. Vinod Sethi		

NOTE 1. The Company Secretary acts as a Secretary to all the committees.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

GENERAL BODY MEETINGS

(i) General Meetings

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

(a) Annual General Meeting

Details	Date	Venue	Time	No. of Special Resolution set out at the AGMs
2009-2010	28 th September, 2010	Hotel Tunga International, Pvt. Ltd. Banquet 1, 6th floor, B/11 MIDC Central Road, Andheri (East), Mumbai - 400 093	11.00 A.M.	2
2008-2009	29 th September, 2009			1
2007-2008	14 th August, 2008	AIPMA House, A-52, Road No.1, M.I.D.C., Marol, Andheri (E), Mumbai - 400 093		1

(b) Extra Ordinary General Meeting

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

(ii) Postal Ballot

A Special Resolution for alteration of the Memorandum of Association of the Company as contained in a Notice to the Shareholders dated 17th December, 2010 was passed during the year under a Postal Ballot. CS Ajit Sathe was appointed as the Scrutinizer for the Postal Ballot process.

Details of the Resolutions passed under the Postal Ballot are as follows:

Description of the Resolution:

Special Resolution to accord the consent of the Shareholders for Alteration of the Memorandum of Association of the Company.

Particulars	No. of Postal ballot	No. of votes (Equity Shares)
Total no. of postal ballot received	201	4,65,47,501
Total no. of postal ballot voted	201	4,65,47,451
Less: Invalid postal ballots	17	1,09,64,413
Valid postal ballots	184	3,55,83,038
a) Votes in Favour	180	3,55,82,281
b) Votes against	4	757

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolutions mentioned above. The result of the Postal Ballot was announced by a Chairman of the Company at the Registered Office of the Company on 25th January, 2011 and advertised in the Free Press Journal & Navshakti on 26th January, 2011.

DISCLOSURES

➤ Materially significant Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. are presented under Note no.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

B-7 in Schedule 22 of the Balance Sheet according to requirement of Accounting Standard 18. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors are neither eligible to participate in the discussion, nor do they vote on such matters.

➤ **Details of Non Compliance(s) by the Company, if any**

The Company has complied with all the requirements of regulatory authorities. There were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

➤ **Accounting Treatment**

In the Preparation of financial statements, the Company has followed the Accounting Standards as prescribed under the Companies (Accounting Standard) Rules, 2006 as applicable. The Accounting policies followed by the Company, to the extent relevant are set out elsewhere in this Annual Report.

➤ **Risk Management**

The Company has established a well-defined risk management framework, defining risk profiles, involving strategic, technological, operational, legal, financial, organizational, regulatory risks. Under this framework, risks are identified across all business processes of the Company on continuous basis. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, Geodesic has set in place various procedures for Risk Management. During the year, the Board has reviewed the risk assessment and a minimisation procedure has been adopted by the Company.

➤ **Code of Conduct for Directors and Management Personnel.**

The Code of Business Conduct and Ethics for Directors and Management Personnel ('the Code'), as recommended by the Board, is a comprehensive Code applicable to all Directors and Management Personnel. This Code should be adhered to in letter and in spirit." A copy of the Code has been put on the Company's website www.geodesic.com. The Chairman hereby declares that the Board Members and the Senior Management Personnel affirms to the Compliance of the Code of Conduct of the Company.

➤ **Code of Conduct for Insider Trading**

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has laid down "Code of Internal Procedures and Conduct for Prevention of Insider Trading" with the objective of preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this Code, Insiders (Officers, Designated Employees and their dependents) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, wherever necessary. Company Secretary has been designated as Compliance Officer for this Code.

➤ **Reconciliation of Share Capital Report from Practicing Company Secretary**

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

➤ **Listing Agreement Compliances**

• **Remuneration Committee**

Although it is not mandatory, the Board of Directors have constituted a Remuneration Committee comprising three Independent Directors, the details of which have been provided earlier in this Report, under the Committee Chart.

• **Audit Qualification**

During the year under review, there is no audit qualification in the Company's Financial Statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- **Management Discussion and Analysis.**

A Management Discussion and Analysis reports forms a part of annual report and includes discussion on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

- **Materially non listed Indian Subsidiary Company**

In terms of Clause 49(III) of the Listing Agreement, Company does not have any Material Unlisted Indian Subsidiary.

- **Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistleblowers (the Whistle Blower Policy)**

A whistleblower is a person who tells the authority about alleged dishonest or misconduct activities occurring in a Company. The alleged misconduct may be classified in many ways; for example, a violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health/safety violations, and corruption.

At Geodesic, we are committed to provide an open, honest and transparent working environment and seeks to eliminate fraudulent activities in its operations. To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to report unethical behaviour and actual or suspected frauds, the Company has adopted the Whistleblower Policy in line with Clause 7 of Annexure ID to Clause 49 of the Listing Agreement. The Whistleblower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behaviour.

- **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.

- **Corporate Social Responsibility**

At Geodesic, our Goal towards the Corporate Social Responsibility is to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. We believe that businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere. Our Corporate Social Responsibility (CSR) includes several noble initiatives, such as:

- In association with Children's Lovecastles Trust (NGO) Geodesic has taken an initiative to give basic knowledge and Computers skills to under privileged children of Government School/s in Bytarayanapura Bangalore.
- At Geodesic, we always encourage children to hone their creative skills. To enhance their artistic and creative abilities, we have initiated craft and drawing classes for children in the junior section.
- We have also partially sponsored a unique project called Project Crayons Udaan Ghar. A home nourishes 63 girl children between the ages of 4 to 14.
- Geodesic aids the Dominic Savio Boys Home with clothes, books, medical supplies, stationery and many other necessities on a regular basis. Our other efforts include improving the infrastructure and hygiene standards of various schools. Some junior classes have been provided with writing desks and other stationery.
- We have donated an ambulance to Project Crayons which runs the ambulance service from Mankhurd, Greater Mumbai.
- Every year we participate in the Standard Chartered Mumbai Marathon's Corporate Challenge to raise funds for charity. This year we have collected ₹ 6.6 lakhs for Project Crayons and ₹ 80,000 was donated to PSI (for AIDS victims).

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

➤ **Payment of Listing Fees**

The Company has been regular in paying the Annual Listing Fees to the Stock Exchanges. Listing fees for the year 2010 – 2011 have been paid within the due date.

MEANS OF COMMUNICATION

Geodesic believes in sharing with every shareholder the latest information about the Company and its financial status. Every shareholder has a right to access Company related details. Through the Investor Relations programme, we are committed to maintain transparency in our actions.

In view of this policy, Geodesic combines traditional Investor Relations services with online Investor Relations programmes. This broadens the scope of Corporate Communications. Now, one can access the required information at the click of a button anytime, anywhere. It also provides a better understanding of corporate strategy with emphasis on the presentational elements of Investor Communications.

The Investor Relations programme consists of:

Meetings

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

Institutional Shareholders

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

Annual General Meeting (AGM)

During the AGM, shareholders are free to question all the Directors including the Managing Director, the Chairman, and Audit Committees, regarding various issues. The AGM also provides them a chance to voice their opinions and ideas.

Annual Report

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

Corporate Website

Our corporate website (www.geodesic.com) provides holistic information about the Company. The Investor Relations section is dedicated to inform the shareholders about the latest financial updates, news releases, financial announcements, reports and investment presentations. They can access information, lodge investor related queries, complaints, or submit suggestions on invrel@geodesic.com.

Archives

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

Results

Our Quarterly and Annual Results are regularly submitted to the stock exchanges and also published in English and Marathi newspapers viz. Economic Times, Free Press Journal and Navshakti. These results are also available on www.geodesic.com and Corpfilling website. If demanded, they are sent to the investors through fax/ mail.

Shareholding Pattern

Information related to the shareholding pattern is posted on www.geodesic.com and Corpfilling website.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

General Shareholders Information

Date and Time : 30th September, 2011, 4.00 pm		
Venue : Hotel Tunga International Pvt. Ltd., Banquet 1, 6th Floor, B/11 MIDC Central Road, Andheri (East), Mumbai - 400 093		
Financial Calendar		
Financial year	1st April to 31st March	
Financial reporting for the year 2010-11 (Results for the quarter ended announced on)	30 th June, 2010	13.08.2010
	30 th September, 2010	09.11.2010
	31 st December, 2010	11.02.2011
	31 st March, 2011	13.05.2011
Financial reporting for the year 2011-12 (Tentative and subject to change)	30 th June, 2011	13.08.2011
	30 th September, 2011	12.11.2011
	31 st December, 2011	11.02.2012
	31 st March, 2012	12.05.2012
Book Closure (Both days inclusive)	27 th September, 2011 to 30 th September, 2011	
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 SMALLCAP Indices	
Singapore Exchange Limited (SGX)	US\$ 113.5 million* Unsubordinated, Unsecured Foreign Currency Zero Coupon Convertible Bonds due 2013 *As on 31 st March, 2011.	
Stock code	Symbol on NSE – GEODESIC Scrip Code on BSE – 503699	
ISIN No.	INE371D01029 – Equity	
Capital Structure as on 31st March 2011		
Authorised Capital	Equity – ₹ 30,00,00,000	
	Preference – ₹ 5,00,00,000	
Paid up Capital	Equity – ₹ 180,282,698	
	Preference – NIL	
Compliance Officer	CS Swati Gupta Company Secretary and Vice President	

• Dividend

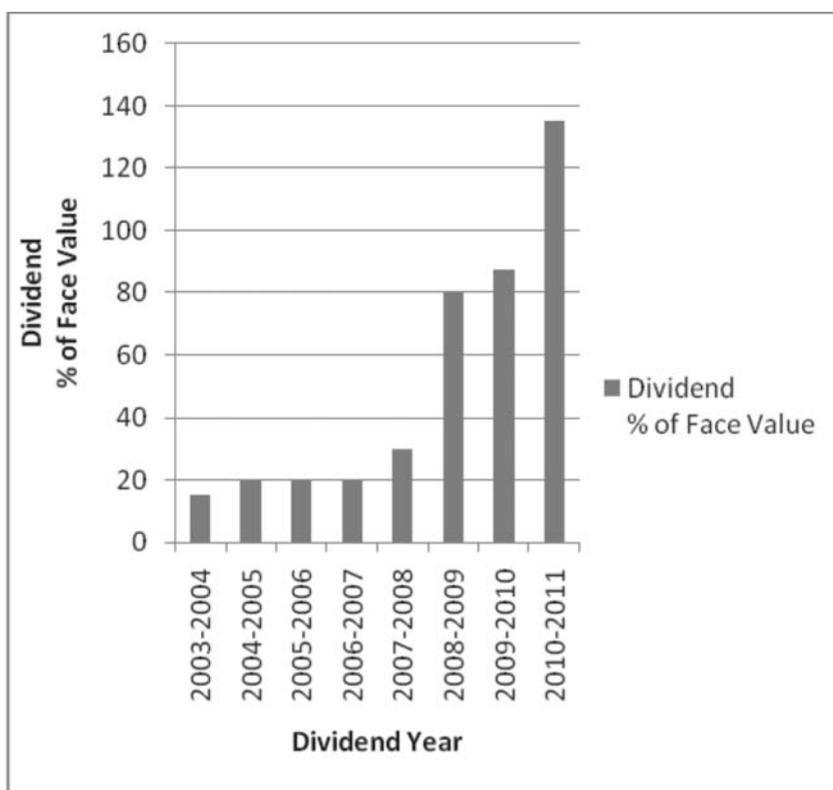
As per the Dividend Policy of the Company, an Interim Dividend of ₹ 1.35 per share (67.5 % dividend) was declared on 11th February, 2011 and the same was paid on 04th March, 2011. Final dividend of ₹ 1.40 per share (70 percent dividend) has been recommended by the Board of Directors of your Company and the same will be paid after the approval of shareholders at the ensuing Annual General Meeting.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Dividend History

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

Final Dividend recommended by the Board will be paid after the approval of shareholders at the ensuing AGM.



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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- 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
2010 – 2011	142.75	67.25	142.75	67

* 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

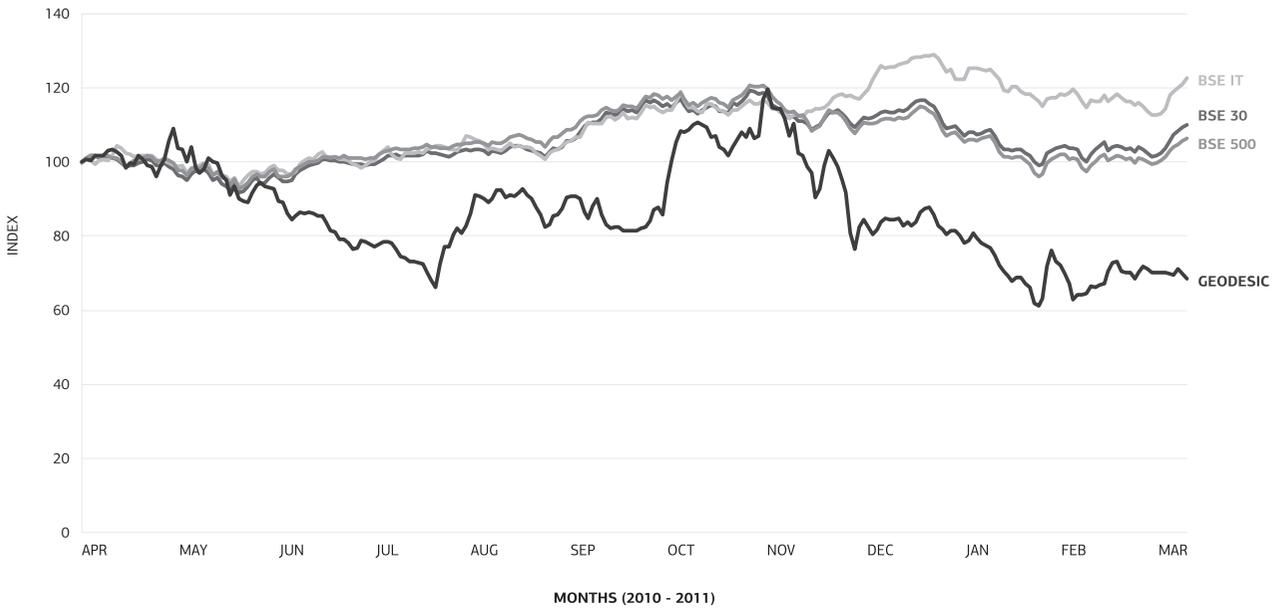
Monthly high/ low prices and volumes of Company's shares during the year 2010 - 11 at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE):

Date	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-10	121	108.5	1799551	121	108.5	3139590
May-10	130.8	101.05	4906565	130.6	101.35	9537162
Jun-10	111	87	1975227	111.1	87.1	882130
Jul-10	92.7	75	10015749	92.6	75.05	18540268
Aug-10	109.6	88.45	15973855	110.25	88.6	27965756
Sep-10	106.65	91	5652476	106.5	91.55	11389712
Oct-10	129.9	93.4	9255680	130	93.25	18577475
Nov-10	142.75	100.6	3497512	142.75	101.05	7611195
Dec-10	120.8	80	3091324	120	82.05	6312722
Jan-11	102.95	79.25	2086126	102.9	75.05	4099158
Feb-11	91.7	67.25	3970139	91.5	67	8762837
Mar-11	86.7	73.9	4129831	86.8	68	5929076

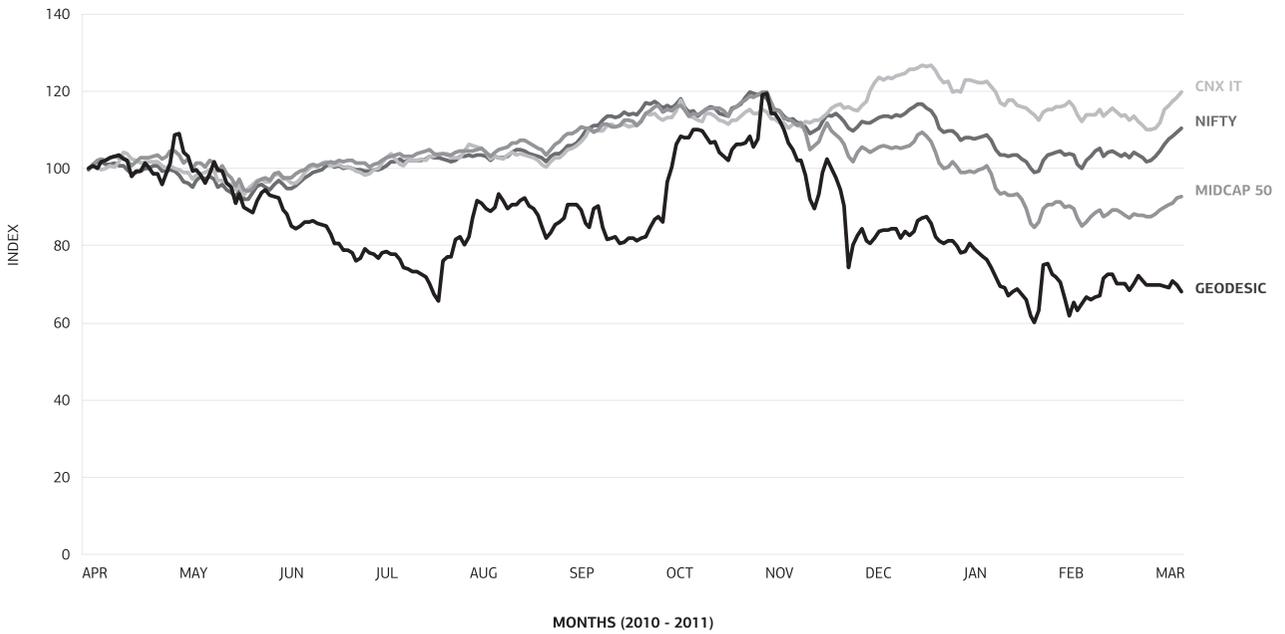
Note: High and Low are in rupees. Volume in the total monthly volume of trade (in numbers).

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

BSE PRICE MOVEMENT DURING THE YEAR



NSE PRICE MOVEMENT DURING THE YEAR



COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

INVESTOR AWARENESS, SAFEGAURDS AND OTHER INFORMATION

➤ INVESTORS AWARENESS:

Being a Shareholder in a listed Company, to ensuring disclosure of full, fair and adequate information has been the hallmark of our regulatory principle. In continuation of our efforts in that direction, we thought it fit and timely to write to you making you aware of

- The rights that you have as a Shareholder in a Company,
- The responsibilities that are cast on you,
- The risks that you have assumed,
- The procedures relating to trading and transfer of the securities; and
- The remedies for problems that you may encounter.

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

As a Shareholder, Your Rights are

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

As a Group of Shareholders, Your Rights are

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

As a debenture-holder, you have the right

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

As an Investor, your responsibility is

- To remain informed
- To be vigilant

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

Dealing of Securities with Registered Intermediaries:

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

➤ INVESTORS SAFEGAURDS:

- **Dematerialisation of Shares and Liquidity**

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

- **Update Address Details and Bank Details**

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

- **National Electronic Clearing Service (NECS) / Electronic Clearing Services (ECS) mandate for Dividend**

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

- **Timely encashment of dividend**

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

- **Dividend Transferred to IEPF**

Under the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

During Fiscal 2010-2011 Dividend amounted to ₹ 1,436 remitted to IEPF which was unclaimed and unpaid for 2003-2004 Interim Dividend. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claim. Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay to the Company's Registrar and Transfer Agents.

- **Unpaid / Unclaimed dividend**

Section 205 of the Companies Act, 1956, mandates that Companies to transfer dividend that has been unclaimed for a period of 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.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Financial Year	Unclaimed dividend amount as on 31.03.2011 (₹)	Date of Declaration	Dividend Payment Date	Due date for transfer to IEPF
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	37,933.80	20.01.2006	16.02.2006	February 2013
2005-2006 Final	18,524.80	15.09.2006	06.10.2006	October 2013
2006-2007 Interim	26,623.80	22.01.2007	17.02.2007	February 2014
2006-2007 Final	20,001.20	23.07.2007	13.08.2007	August 2014
2007-2008 Interim	96,960.60	29.01.2008	22.02.2008	February 2015
2007-2008 Final	37,340.00	14.08.2008	05.09.2008	September 2015
2008-2009 Interim	80,379.41	30.01.2009	25.02.2009	February 2016
2008-2009 Final	160,093.60	29.09.2009	20.10.2009	October 2016
2009-2010 Interim	170,873.25	29.01.2010	24.02.2010	February 2017
2009-2010 Final	166,727.00	28.09.2010	20.10.2010	October, 2017
2010-2011 Interim	399,150.75	11.02.2011	04.03.2011	March, 2018

- **Register Nomination(s)**

Members holding Shares in physical form are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their Shares and in order to avail this nomination facility, they may obtain/submit the prescribed Form2B from/with the Registrars & Share Transfer Agents. Members holding Shares in dematerialised form are requested to register their nominations directly with their respective DPs.

➤ **OTHER INFORMATION**

- **Share Transfer System**

Entire share transfer activities under physical segment are being carried out by Companies Registrar & Transfer Agent Universal Capital Securities Private Limited. The shares sent for physical transfer are generally registered and returned within a period of 15-20 days from the date of receipt of request, if the documents are complete in all respects.

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

- **Register E mail Address**

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notices/ Documents including Annual Report comprising Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report etc. (hereinafter 'documents') in electronic mode, provided the Company has obtained email addresses of its members for sending these documents through e-mail by giving an advance opportunity to every Shareholder to register their e-mail address and changes therein from time to time with the Company. Accordingly, Shareholders holding Shares in physical form are requested to register their e-mail addresses and changes therein from time to time, by directly sending the relevant e-mail address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agents, M/s. Universal Capital Securities Pvt. Ltd. In respect of shares held in electronic form, the e-mail address along with DP ID/Client ID and other Shareholder details as mentioned above should be registered by the Shareholders with their respective Depository Participants. Upon registration of the e-mail address, the Company proposes to send notices and documents, in electronic form, to such Shareholders.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Distribution of Shareholding as on 31st March, 2011**

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
UPTO - 5,000	23200	93.901	7272333	8.068
5,001 - 10,000	692	2.801	2543026	2.821
10,001 - 20,000	340	1.376	2541492	2.819
20,001 - 30,000	132	0.534	1636708	1.816
30,001 - 40,000	74	0.3	1319930	1.464
40,001 - 50,000	37	0.15	842207	0.934
50,001 - 1,00,000	89	0.36	3255532	3.612
1,00,001 AND ABOVE	143	0.579	70730121	78.466
TOTAL	24707	100	90141349	100

- Shareholding Pattern**

Category	31 st March 2011	% of total equity	31 st March 2010	% of total equity
Promoters Group	20939765	23.23	20,939,765	22.70
Mutual Funds	471900	0.52	403,484	0.44
Fills	37007395	41.05	48,503,067	52.58
Banks (includes insurance companies)	614163	0.68	649,523	0.70
Private Corporate Bodies	8282821	9.19	6,347,405	6.88
Indian Public	20749071	23.02	13,445,843	14.58
NRI/OCB's	1269662	1.41	1,427,999	1.55
Others	806572	0.90	526,713	0.57
Total	90141349	100	92,243,799	100

- Details of Shares in Physical & Electronic Mode as on 31st March 2011.**

Particulars	No. of Shares	Percentage of Total Shares
Physical Segment	2,24,044	0.24 %
NSDL	8,13,56,215	90.47 %
CDSL	85,61,090	9.53 %
Grand Total	9,01,41,349	100.00 %

- Outstanding Securities**

The Company has not issued any GDR/ ADR/ Warrants during the fiscal 2010-11.

ESOP

During the fiscal no new ESOP were granted to any employees of the Company. During the year Board of Directors at their Meeting held on 04th January, 2011 allotted 2,550 Equity shares to employee pursuant to conversion of option granted to employee under Geodesic ESOP scheme of 2002. In Principal Approval from BSE and NSE has been received on 20th January, 2011 and 25th January, 2011 respectively.

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"). 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.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

DEVELOPMENT CENTRE LOCATIONS

<p>Mumbai B-3, Lunic Industries, Cross Road No. B, Opp. State Bank of India, MIDC, Andheri (East), Mumbai - 400 093 Tel : +91-22-28311849, +91-22-28306804 Fax : +91-22-28200832</p>	<p>K.C. Brothers, K.C. House, Central Road, M.I.D.C Andheri East Mumbai - 400 093, India Tel: +91 22 42146000 /60 /61</p>
<p>Santogen House, Plot No. A/69, 1st Floor, MIDC, Behind Tunga International Hotel, Andheri (East), Mumbai - 400 093</p>	<p>Unit No. 51, SDF – II, SEEPZ – SEZ, Andheri (E), Mumbai - 400 096, India Tel: 91-22-40315800</p>

<p>Bengaluru No. 18, 10th Cross Mayura Street, Papanna Layout Outer Ring Road Bengaluru - 560 094 Tel : +91-80-6655 1000 Fax : +91-80-6655 1029</p>
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<p>Hyderabad 19B, MLA Colony, Banjara Hills Road No.12, Hyderabad, Andhra Pradesh 500034 Tel : +91-040-2354 5166</p>

Address for Correspondence

<p>M/s. Universal Capital Securities Pvt. Ltd. (Formerly known as Mondkar Computers Private Limited) Unit: Geodesic Limited 21, Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093 Tel : +91-22-28207202 - 05 Fax : +91-22- 28207207 Email: info@unisec.com</p>	<p>Geodesic Limited B-3, Lunic Industries, Cross Road No. B, Opp. State Bank of India, MIDC, Andheri (East), Mumbai - 400 093 Tel : +91-22-28311849, +91-22-28306804 Fax : +91-22-28200832 Email: invrel@geodesic.com</p>
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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, 2011, 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 : 29th August, 2011

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 2011 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 2011 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, 2011;
 - 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: 29th August, 2011

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 also deals in Hardware products. There is a stock of RM and WIP and Finish Goods maintained at Roorkee and Bangalore. In the current year, clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (the order) is applicable and has been given as a part of the Notes to Accounts.

- a) There is a stock of raw materials, work in progress and finished goods at the Roorkee unit and at Bangalore 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.

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.

ANNEXURE TO AUDITORS' REPORT

- 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, 2011 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, 2011 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.

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.

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: 29th August, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SOURCES OF FUNDS			
Shareholders Funds :			
Share Capital	1	1,802.83	1,844.88
Reserves & Surplus	2	95,129.27	75,191.22
Loan Funds :			
Secured Loans	3	7.60	1.40
Unsecured Loans	4	61,399.22	58,691.59
Deferred Tax Liability (Net)	5 / 8	117.92	–
		158,456.83	135,729.09
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	6	19,257.80	14,808.86
Less: Accumulated Depreciation / Amortization		8,817.21	8,822.87
Net Block		10,440.58	5,986.00
Capital Work in Progress		2,886.30	8,493.92
		13,326.88	14,479.92
Investments	7	87,096.45	51,399.83
Deferred Tax Assets (net)	8	–	169.58
Current Assets, Loans and Advances :			
Inventory	9	1,027.05	383.73
Sundry Debtors	10	35,431.07	35,504.74
Cash and Bank Balance	11	17,253.00	19,260.68
Loans & Advances	12	34,236.09	19,881.34
Share Application towards allotment of Equity shares (Refer Note B-11 of Sch. 22)		2,687.55	3,030.15
		90,634.78	78,060.64
Less: Current Liabilities and Provisions :			
Current Liabilities	13	28,488.09	4,908.06
Provisions	14	4,622.10	4,266.39
Net Current Assets		57,524.59	68,886.21
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	508.92	793.58
		158,456.83	135,729.09
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

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W

Mumbai: 29th August, 2011

For and on behalf of the Board of Directors

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	31 st March, 2011 ₹ in lacs	31 st March, 2010 ₹ in lacs
Income from Operations	16	67,143.08	48,726.74
Increase / (Decrease) in Stock of Finished Goods		18.13	21.05
Other Income	17	142.09	1,575.64
		67,303.30	50,323.43
EXPENDITURE:			
Operational Expenses	18	32,111.23	19,680.90
Employees Costs	19	2,458.01	1,900.60
Other Administrative Expenses	20	2,672.86	3,604.50
Finance Cost	21	3,752.76	3,720.94
Depreciation / Amortization	6	2,265.33	4,480.86
Miscellaneous Expenditure written off	15	284.67	342.54
		43,544.85	33,730.35
Net Profit Before Taxes		23,758.45	16,593.08
Less: Taxation Expense:			
– Current Tax		15.00	–
– Deferred Tax (Credit) / Charge		287.50	(189.30)
Net Profit after Tax		23,455.95	16,782.38
Less: Prior Period (Income)/Expenditure (Refer Note B-14 of Schedule 22)		(6.73)	(1.10)
Less: Prior Period Taxation		–	93.16
Profit for the year		23,462.69	16,690.33
Add: Exceptional Income (See Note B-6 of Schedule 22)		–	797.97
Net Profit after Exceptional Income		23,462.69	17,488.30
Balance brought forward		53,005.44	39,150.43
Profit available for appropriation		76,468.13	56,638.72
Appropriations			
Less: Interim Dividend paid		1,216.91	691.83
Less: Corporate Tax on Interim Dividend		–	117.58
Less: (Excess) Provision made for tax on Final Dividend FY 2009-10		(1.45)	–
Less: Proposed Equity Dividend		1,261.98	922.44
Less: Tax on Proposed Equity Dividend		–	152.46
Less: Transfer to General Reserve		2,346.27	1,748.90
Profit carried to Balance Sheet		71,644.41	53,005.44
Notes to Accounts	22		
Earnings per share			
Basic Earnings per Equity share (Refer Note B-8 of Schedule 22)		25.77	18.96
Diluted Earnings per Equity share		25.67	18.86
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

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W

Mumbai: 29th August, 2011

For and on behalf of the Board of Directors

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11 ₹ in lacs	2009-10 ₹ in lacs
A. Cash flow From Operating Activities:		
Net Profit before Tax and prior period adjustments	23,758.45	16,593.08
Adjustment for		
– Depreciation / Amortisation	2,265.33	4,480.86
– Prior Period Adjustments / Taxation	6.73	(92.06)
– Increase in stock of finished goods	(18.13)	(21.50)
– Miscellaneous Expenditure written off	284.67	342.54
– Loss / (Profit) on Forward Contracts	1,448.52	2,940.40
– Loss / (Profit) on sale of Fixed Assets (Net)	–	1.55
– (Profit) / Loss on sale of current investments (Net)	0.42	(12.50)
– (Profit) from PMS Investments	(67.82)	–
– Foreign Exchange (Gain) / Loss (Net)	570.85	(827.47)
– Dividend Income	(45.71)	(41.42)
– Interest Income	(597.63)	(685.69)
– Interest Expenses	3,714.99	3,647.51
– Bad Debts written off	0.17	–
– Balances written off / Advances written off	269.59	30.32
– Investments written off / Diminution in value of investments	216.14	–
Operating Profit before Working Capital Changes	31,806.56	26,355.65
Movements in working capital :		
Decrease / (Increase) in sundry debtors	73.66	(3,555.17)
Decrease / (Increase) in loans & advances	916.42	(1,285.60)
(Decrease) / Increase in provision for leave encashment and gratuity	20.66	(38.15)
Decrease / (Increase) in inventory	(643.32)	(382.49)
(Decrease) / Increase in current liabilities	23,580.03	(1,255.01)
Cash Generated From Operations	55,754.02	19,839.20
Direct Tax Paid (net of refunds)	(384.71)	(433.83)
Net Cash from / (used in) Operating Activities	55,369.31	19,405.39
B. Cash flow From Investing Activities:		
– Purchase of Fixed Assets	(3,555.92)	(7,260.85)
– Sale of Fixed Assets	–	0.05
– (Purchase) / Sale of Current Investment (Net)	266.36	(11.83)
– Share application money transferred to equity / (paid)	342.60	(3.09)
– Investment in Subsidiaries	(35,962.98)	(8,694.19)
– Loan to Subsidiaries	(20,026.38)	585.59
– Intercompany Deposits repaid to the Company	4,761.74	(3,538.54)
– (Profit) / Loss on sale of current investments (Net)	(0.42)	–
– Profit on Sale / maturity of Investments	67.82	–
– Interest Received	37.99	103.19
– Dividend Received	45.71	6.28
– (Loss) / Profit on Forward Contracts	(1,448.52)	(2,940.40)
Net Cash from / (used in) Investing Activities	(55,472.00)	(21,753.79)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11 ₹ in lacs	2009-10 ₹ in lacs
C. Cash flow From Financial Activities:		
– (Buy Back) / Proceeds from issue of share capital	(2,077.86)	24.62
– Share Issue Expenses	(0.01)	(0.98)
– Profit on buy back of FCCB	–	797.97
– (Decrease) / Increase in FCCB liability	2,707.63	(5,401.13)
– Repayment of Long term Borrowings	(6.19)	(2.93)
– Dividend Paid	(2,120.49)	(1,429.55)
– Interest Paid	(257.05)	(201.21)
– Tax on Dividend paid	(151.01)	(242.95)
Net Cash from / (used in) Financial Activities	(1,904.99)	(6,456.16)
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	(2,007.68)	(8,804.56)
Cash and Cash Equivalents at the beginning of the year	19,260.68	28,065.24
Cash and Cash Equivalents at the end of the year	17,253.00	19,260.68
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	2.67	2.79
With Banks : in current account	8,334.10	12,720.27
in fixed deposit	8,916.23	6,537.61
	17,253.00	19,260.68

As per our report on even date

For **Borkar & Muzumdar**
Chartered Accountants

CA Rajesh Batham
Partner
Membership No. 035941
FRN: 101569W

Mumbai: 29th August, 2011

For and on behalf of the Board of Directors

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, 2011**

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ 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		
9,01,41,349 (P.Y. 9,22,43,799) Equity Shares of ₹ 2 each fully paid up (Refer Note B-5 of Sch.22)	1,802.83	1,844.88
	1,802.83	1,844.88
Of the above:		
For stock option outstanding details refer Note B-5, B-9 of Schedule 22		
SCHEDULE 2:		
Reserves & Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	16,515.52	16,491.48
(Less)/Add : (Decrease)/Increase during the year (Refer Note B-5 of Sch.22)	(2,035.81)	24.04
	14,479.71	16,515.52
Hedge Reserve Account (Refer Note A 9 of Schedule 22)		
Addition during the year	988.61	-
General Reserve		
Balance as per last Balance Sheet	5,670.26	3,921.36
Add: Transferred from Profit & Loss Account	2,346.27	1,748.90
	8,016.54	5,670.26
Balance in Profit & Loss Account		
	71,644.41	53,005.44
TOTAL	95,129.27	75,191.22
SCHEDULE 3:		
Secured Loans		
Kotak Mahindra Prime Limited (Secured against hypothecation of cars)	7.60	1.40
Loans repayable within one year ₹ 1.31 lacs (P.Y. ₹ 1.40 lacs)		
TOTAL	7.60	1.40
SCHEDULE 4:		
Unsecured Loan		
Zero Coupon Convertible Bonds [including interest accrued but not due ₹ 10721.47 lacs (P.Y. ₹ 7457.69 lacs)] (Refer Note B-6 of Schedule 22)	61,399.22	58,691.59
	61,399.22	58,691.59
SCHEDULE 5:		
Deferred Tax Liability :		
- Difference due to book and tax depreciation	42.42	-
- Difference due to book and tax depreciation (post tax holiday)	75.72	-
TOTAL	118.14	-

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 6:

Fixed Assets

Description	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At 1-Apr-2010 ₹ in lacs	Additions During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2011 ₹ in lacs	As At 1-Apr-2010 ₹ in lacs	During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2011 ₹ in lacs	As At 31-Mar-2010 ₹ in lacs
Tangible Assets :									
Plant & Machinery	11.44	9.15	-	20.59	1.13	1.50	-	17.96	10.31
Computers	472.20	74.70	-	546.89	322.64	80.07	-	144.18	149.56
Vehicles	67.55	10.28	-	77.84	56.59	3.73	-	17.52	10.97
Leasehold Improvements - Roorkee	0.85	-	-	0.85	0.11	0.17	-	0.57	0.73
Leasehold Improvements - B'lore	202.19	-	-	202.19	104.72	46.50	-	50.97	97.47
Leasehold Improvements - Mumbai	457.71	-	-	457.71	46.27	30.53	-	380.91	411.44
Furniture & Fixtures	133.82	7.99	-	141.81	82.11	11.27	-	48.43	51.70
Office Equipment	165.15	27.24	-	192.39	46.74	18.66	-	126.99	118.41
Total	1,510.90	129.36	-	1,640.26	660.30	192.42	-	787.53	850.60
Intangible Assets :									
Internally Generated Software	3,901.33	6,542.04	-	10,443.38	1,255.10	1,079.73	-	8,108.55	2,646.24
Testing & Tooling Software	6,932.96	-	-	6,932.96	4,500.17	973.12	-	1,459.68	2,432.80
Other Software	177.93	49.61	-	227.53	121.56	33.37	-	72.61	56.37
Patent, Trademark and Copyright	-	13.67	-	13.67	-	1.45	-	12.22	-
Total	11,012.22	6,605.32	-	17,617.54	5,876.82	2,087.66	-	9,653.05	5,135.40
Transfer to CWIP *	-	-	-	-	-	14.76	-	-	-
Current Year Total	12,523.13	6,734.67	-	19,257.80	6,537.13	2,265.33	-	10,440.58	5,986.00
CWIP	8,493.92	727.05	6,334.67	2,886.30	-	-	-	2,886.30	8,493.92
Current Year Grand Total	21,017.04	7,461.72	6,334.67	22,144.10	6,537.13	2,265.33	-	13,326.88	14,479.92
Previous Year	23,918.23	8,660.25	9,275.70	23,302.78	10,237.49	4,480.86	5,908.04	14,479.92	13,680.75

* 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, 2011

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SCHEDULE 7:		
Investments in Quoted and Unquoted Equity Shares		
Long Term (at cost)		
(A) In Subsidiaries - Unquoted Equity Shares:		
245,999 (P.Y. 9,999) shares in Geodesic Gridpoint Energy Pvt Ltd of ₹ 10 each paid up (Refer Note B-10 of Schedule 22)	24.60	1.00
Nil (P.Y. 9,999) shares in ITM Digital Pvt Ltd of ₹ 10 each paid up (Refer Note B-10 of Schedule 22)	–	1.00
1,73,265,100 (P.Y. 95,265,100) shares of Geodesic Holdings Limited, Mauritius of US\$ 1 each paid up (Refer Note B-10 of Schedule 22)	80,925.87	45,593.40
12,522,575 (P.Y. 12,522,575) shares of Chandamama India Limited of ₹ 10 each paid up (Refer Note B-10 of Schedule 22)	1,954.59	1,954.59
60,000,000 (P.Y.50,000,000) shares of Geodesic Technology Solutions Limited, Hong Kong of HK\$ 1 each paid up (Refer Note B-10 of Schedule 22)	3,710.77	3,139.36
3.65,000 (P.Y. Nil) shares in Filmorbit.Com India Pvt Ltd of ₹ 10 each paid up (Refer Note B-10 of Schedule 22)	36.50	–
(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	130.79	346.93
(C) In Equity Shares - Unquoted		
Nil (P.Y. 49,999) shares in Filmorbit.Com India Pvt Ltd of ₹ 10 each paid up	–	5.00
409,999 (P.Y. Nil) shares in ITM Digital Pvt Ltd of ₹ 10 each paid up	41.00	–
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
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. 174,167.479) Units, Face value ₹ 10	25.00	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:		
DWS Insta Cash Plus Fund - Super Institutional - Plan Daily Dividend Nil (P.Y. 4,157.048) units, Face Value ₹ 10	–	0.42
HDFC Equity Fund - Dividend Option 39934.156 (P.Y. 36,677.083) Units, Face value ₹ 10	10.14	8.67
JM Advantage Arbitrage Fund-Dividend Plan 675887.927 (P.Y. 640,511.753) units, Face Value ₹ 10	67.80	64.21
Sundaram BNP Paribas Entertainment Opportunity - Div 252,593.132 (P.Y. 252,593.132) units, face value ₹ 10	26.32	26.32

SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
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 Nil (P.Y. 100,837.010) units, Face Value ₹ 10	-	10.12
National Savings Certificate	-	0.03
# Reliance Capital Asset Management Company (PMS)	-	80.72
TOTAL	87,096.45	51,399.83
# 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	86,964.66	51,051.90
Aggregate amount of quoted investments	131.79	347.92
Market value of quoted investments	133.77	149.32

Details of Investments Purchased and Sold during the year 2010-11

Particulars	No of Units	Face Value ₹	Purchase Cost ₹ in Lacs
Growth Funds			
Reliance Liquidity Fund - Growth Option	719,357.1820	10.0000	100.00
Income Funds			
Liquid Funds:			
Birla Sun Life Cash Manager - IP - Daily Dividend - Reinvestment	1,499,550.1350	10.0000	150.00
Birla Sun Life Cash Plus - Instl. Prem. - Daily Dividend - Reinvestment	4,591,047.4570	10.0000	460.00
Canara Robeco Floating Rate St Daily Dividend Fund	1,705,653.0214	10.0000	175.00
Canara Robeco Liquid Super Instt Daily Dividend Reinvest Fund	497,265.0423	10.0000	50.00
DWS Insta Cash Plus Fund - Super Institutional Plan Daily Dividend - Reinvest	3,738,634.5520	10.0000	375.00
JM Money Manager Fund Super Plus Plan - Daily Dividend	999,470.2810	10.0000	100.00
Kotak Floater Short Term - Daily Dividend	15,272,533.1650	10.0000	1,545.00
Kotak Flexi Debt Scheme Institutional - Daily Dividend	1,990,544.9120	10.0000	200.00
Kotak Liquid (Institutional Premium) - Daily Dividend	2,208,029.0479	10.0000	270.00
LICMF Liquid Fund - Dividend Plan	8,196,646.6610	10.0000	900.00
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	141,864.0942	100.0000	150.00
ICICI Prudential Floating Rate Plan D - Daily Dividend	1,449,666.5767	100.0000	1,450.00
ICICI Prudential Liquid Super Institutional Plan - Dividend - Daily	649,853.7829	100.0000	650.00
Reliance Liquid Fund - Cash Plan - Daily Dividend Option	3,141,408.2490	10.0000	350.00
Reliance Liquidity Fund - Daily Dividend - Reinvestment Option	15,741,971.5950	10.0000	1,575.00
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan	29,958.9114	1,000.0000	300.00
Sundaram Money Fund Inst. - Daily Div. Rein	1,981,119.9270	10.0000	200.00

**SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SCHEDULE 8:		
Deferred Tax Asset :		
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	0.22	0.17
TOTAL	0.22	169.58
SCHEDULE 9 :		
Inventory		
Raw Material (valued at cost)	728.57	1.28
Work in Progress - GeoAmida (valued at cost)	34.85	361.40
GeoAmida (Finished goods valued at lower of cost or market value)	18.62	21.05
Stock of spares	11.92	–
Packing Material	2.95	–
Goods in transit	230.14	–
	1,027.05	383.73
SCHEDULE 10:		
Current Assets, Loans and Advances :		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
Considered Good	5,659.36	11,973.71
	5,659.36	11,973.71
Other Debts-considered good	29,771.72	23,531.03
TOTAL	35,431.07	35,504.74
SCHEDULE 11 :		
Cash and Bank Balances		
Cash in Hand	2.67	2.79
Balance with Scheduled Banks :		
In Current A/c	7,196.20	11,569.14
In Fixed Deposits*	8,916.23	6,537.61
Balance with Non-Scheduled Banks in Foreign Currency:		
In Current A/c **	1,137.90	1,151.13
TOTAL	17,253.00	19,260.68

* includes ₹ 113 lacs (P.Y. ₹ 35.95 lacs) pledged in favour of banks as margin money against bank guarantee and Letter of credit given by the Bank

** Refer Note B-12 of Schedule 22 for details of balances in non-scheduled banks in foreign currency, balances in current and deposit account with scheduled banks

**SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SCHEDULE 12 :		
Loans and Advances		
Unsecured - Considered Good		
Interest Receivable on Bank Deposits	3.26	26.60
Advance recoverable in cash or in kind or for value to be received	1,445.32	2,561.65
Loans and Advances to Subsidiaries	26,059.36	6,032.98
Inter Corporate Deposits	2,975.08	7,736.83
Leave Encashment Fund (net of provision)	10.39	3.86
Advance Tax	3,592.92	3,383.80
Sundry Deposits	149.76	134.35
Other Receivable - VAT input credit	-	1.27
TOTAL	34,236.09	19,881.34
SCHEDULE 13 :		
Current Liabilities		
Sundry Creditors	28,030.63	4,664.67
Sundry Creditors for Expenses	137.60	80.33
Liabilities for Expenses	165.33	106.44
Unclaimed Dividend	12.30	7.99
Other Liabilities	142.23	48.62
TOTAL	28,488.09	4,908.06
SCHEDULE 14 :		
Provisions		
Proposed Equity Dividend	1,261.98	922.44
Provision for Tax	3,118.70	3,103.70
Provision for Gratuity (net of funds with LIC)	28.65	1.46
Provision for Fringe Benefit Tax [net of taxes paid ₹ 126.45 lacs (P.Y. ₹ 126.45 lacs)]	212.77	86.33
Provision for Tax on Dividend	-	152.46
TOTAL	4,622.10	4,266.39
SCHEDULE 15 :		
Miscellaneous Expenditure (to the extent not written off)		
Share Issue Expenses	10.58	17.56
Add: During the Year	0.01	0.98
Less: Written off	4.46	7.96
	6.13	10.58
Deferred Revenue Expenditure	-	52.20
Less: Written off	-	52.20
	-	-
Merger Expenses	2.90	6.22
Less: Written off	1.16	3.32
	1.74	2.90
Bond Issue Expenses	780.10	1,059.15
Add: During the Year	-	-
Less: Written off	279.05	279.05
	501.04	780.10
Balance carried to Balance Sheet	508.92	793.58

SCHEDULES ANNEXED TO AND FORMING A PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended 31 st March, 2011 ₹ in lacs	Year Ended 31 st March, 2010 ₹ in lacs
SCHEDULE 16 :		
Income from Operations :		
Consultancy & Service Income	791.91	476.99
Product & Services Income	66,351.10	48,249.75
TOTAL	67,143.08	48,726.74
SCHEDULE 17 :		
Other Income :		
Interest Income		
Bank Deposits [TDS ₹ 3.82 lacs (P.Y. ₹ 49.91 lacs)]	37.99	130.00
Inter Corporate Deposits [TDS ₹ 55.97 lacs (P.Y. ₹ 254.39 lacs)]	559.64	555.32
Dividend Income on units of mutual funds and shares	45.71	41.42
Profit on sale of Current Investments	-	12.50
(Loss) / Income from PMS Investments	67.82	-
Sundry Receipts	1.78	8.92
Foreign Exchange (Loss) / Gain (net)	(570.85)	827.47
TOTAL	142.09	1,575.64
SCHEDULE 18 :		
Operational Expenses :		
Software Development Expenses	30,616.59	19,215.88
Cost of Manufacture - Hardware	1,073.87	163.06
Server Hosting Charges	82.12	64.59
Communication & Telephone Expenses	91.58	101.14
Electricity Charges	95.27	72.22
Legal & Professional Fees	79.80	44.67
Call Minutes /SMS Purchased	60.06	18.97
Consumable Spares	11.93	-
Delivery Charges	-	0.35
TOTAL	32,111.23	19,680.90
SCHEDULE 19 :		
Employee Costs :		
Salary, Wages, Bonus and Allowances and Reimbursements	2,213.44	1,721.17
Contribution to Provident and Other Funds	121.50	100.77
Staff Welfare Expenses	123.07	78.66
TOTAL	2,458.01	1,900.60
SCHEDULE 20 :		
Other Administrative Expenses :		
Rent / Hire Charges	146.40	103.71
Insurance Charges	26.99	17.68
Repairs & Maintenance - Others	112.18	62.82
Advertisement and Publicity Expenses	168.45	86.56
Travelling & Conveyance	121.69	91.57
Printing & Stationery	21.17	19.06
Legal and Professional Fees	69.18	170.68
Director's Sitting Fees	2.50	1.90
Auditors Remuneration	16.55	12.21
Loss on Forward Contracts	1,448.52	2,940.40
Loss on Sale of tangible Fixed Assets	-	1.55
Loss on Sale of investments	0.42	-
Balances written off / written back	269.59	30.32
Investments written off / Diminution in value of investments	216.14	-
Bad Debts written off	0.17	-
Other Office Expenses	52.90	66.03
TOTAL	2,672.86	3,604.50
SCHEDULE 21 :		
Financial Expenses :		
Interest Charges	3,714.99	3,647.51
Other Finance Costs	37.77	73.43
TOTAL	3,752.76	3,720.94

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 differences between these actual results and estimates are recognized 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 of the same to the customer.

➤ Services

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

➤ Interest

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

➤ Dividend Income

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

➤ Other Income

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

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

➤ Intangible Asset

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

➤ Capital Work In Progress

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

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

NOTES ON ACCOUNTS

➤ **Leasehold improvements:**

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

4. DEPRECIATION:

➤ Depreciation, on all assets except those specified in the table below, is provided for using the Written Down Value Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule-XIV of the Companies Act, 1956 whichever are higher. Depreciation on additions and deletions is charged pro-rata from / till the period of their use.

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

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

Leasehold Improvements	Straight Line	Lease period
Goodwill	Written down value	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	Straight Line	100%
Internally generated software	Straight Line	25%
Patent	Straight Line	10%

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.

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 of not more than a year at the time of purchase are classified as a current investment. All other investments are classified as Long Term Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long Term Investments are carried at cost. However the provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

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. Stock in transit is valued at cost.

8. LEASES:

- Finance lease payments are apportioned between the finance lease charges and the reduction of the outstanding lease liability. The finance lease charges are recognised in the Profit and Loss Account.
- Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

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.

NOTES ON ACCOUNTS

➤ **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.

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

10. RETIREMENT BENEFITS:

a) Defined Contribution Plan:

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

b) Defined Benefit Plan:

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuities Act, 1972, The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary

and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the LIC Gratuity Fund. Liabilities with regard to Leave Encashment are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes to the LIC Leave Encashment Fund.

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

NOTES ON ACCOUNTS

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.

13. MISCELLANEOUS EXPENDITURE:

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

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.

17. PROVISION AND CONTINGENT LIABILITIES:

Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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**

₹ in lakhs

Region	2010-11	2009-10
India	2,201.41	794.64
Outside India	64,941.34	47,932.10

• **Segment Assets**

₹ in lakhs

Region	2010-11	2009-10
India (Assets excluding Export Customers)	1,56,767.05	1,09,586.39
Outside India (Export Customers)	34,791.19	35,317.14

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.

NOTES ON ACCOUNTS

2. Contingent Liability (not provided for) exist in respect of:

₹ in lakhs

Sr. No.	Particulars	2010-11	2009-10
a)	Outstanding bank guarantees	32.62	35.95
b)	Letter of Credit given by bank on behalf of the Company	759.49	–
c)	Income tax Demand in respect of an earlier year(s) under dispute		
	1. Appeal pending with CIT Appeals VIII for AY 2005-06	6.93	6.93
	2. Appeal pending with CIT Appeals XXX for AY 2006-07	–	0.53
	3. Appeal pending with CIT Appeals XXX for AY 2007-08	–	4.14
	4. Appeal pending with CIT Appeals XXX for AY 2008-09	–	7.26
	4. Appeal pending with CIT Appeals XXX for AY 2009-10	–	0.08
	Total	799.04	54.89

3. DEFERRED TAX

The break-up of deferred tax assets and deferred tax liabilities into major components of the respective balances are as mentioned below

₹ in lakhs

Sr. No.	Components	Year ended 31 st March, 2011		Year ended 31 st March, 2010	
		Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
1.	On timing difference between book depreciation and depreciation as per Income Tax Act, 1961.	–	118.14	169.40	–
2.	Disallowances u/s 43B	0.22	–	0.17	–
	TOTAL	0.22	118.14	169.57	–

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

Particulars	2010-11 ₹ in lakhs	2009-10 ₹ in lakhs
Profit before tax	23,758.45	16,593.08
Add:		
Loss on cancellation / delivered foreign contracts	1,448.52	2,940.40
Infructious project expenses written off	6,334.67	1,512.77
Directors' Fees	2.50	1.90
Loss on sale of fixed assets as per Profit and Loss Account	–	1.55
	31,544.14	21,049.71

Managerial Remuneration

Particulars	2010-11 ₹ in lakhs	2009-10 ₹ in lakhs
Salaries	53.72	53.72
Contribution to Provident Fund and other Funds	0.28	0.28
Directors sitting Fees	2.50	1.90
Total	56.50	55.90

NOTES ON ACCOUNTS

5. Share Capital:

Employees have exercised 2,550 (P.Y. 28,825) stock options during the year, which has resulted in an increase in Equity Share Capital by ₹ 0.05 lakhs (P.Y. ₹ 0.58 lakhs) and Security Premium Account by ₹ 2.13 lakhs (P.Y. ₹ 24.04 lakhs).

The Board of Directors, in its meeting held on 7th May, 2010 announced a buy back of equity shares for upto 10% of the shares. On 26th November, 2010, the Board declared the completion of buy back process. The Company bought back 21,05,000 equity shares aggregating to ₹ 20,70,77,740/- (Rupees Twenty Crores Seventy Lakh Seventy Seven Thousand Seven Hundred Forty Only) which was within the limits specified. The company bought back 2.28 % of its pre buyback equity in the entire process. As a result of the buy back Equity Share Capital account has reduced by ₹ 42.10 lakhs and the Securities Premium Account by ₹ 2,035.81 lakhs.

6. Foreign Currency Convertible Bonds (FCCB):

In January 2008, 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 ending March 2010, the Company has repurchased FCCB of the face value of US\$ 8.50 Million, listed on the Singapore Stock Exchange, in accordance with the A.P. (DIR Series) Circular No. 39 dated 8th December, 2008 (the "Circular") issued by the Reserve Bank of India. As on 31st March, 2011 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.

During the current year the Company has not re-purchased FCCB's, therefore profit / loss on buy back is ₹ Nil (P.Y. ₹ 676.36 lakhs) and has also written back the provision for interest accrued but not due on the buy back of Bonds during the current year amounting to ₹ Nil (P.Y. ₹ 121.61 lakhs).

The Bonds carry an yield of 6.60% per annum based on the same, interest of ₹ 3,389.27 lakhs (P.Y. ₹ 3,677.44 lakhs) has been provided in the accounts (refer Schedule 21 of the Balance Sheet).

7. 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

NOTES ON ACCOUNTS

c. Subsidiary Companies:

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

(ii) Transactions with related parties:

₹ in lakhs

Nature of Transaction	Subsidiaries - Direct Holding							
	GHL Current (Prev) Year	GTSL Current (Prev) Year	GIS INC Current (Prev) Year	ITM DG Current (Prev) Year	GEO GEPL Current (Prev) Year	FIPL Current (Prev) Year	CIL Current (Prev) Year	KMP Current (Prev) Year
Investments made during the year	35,332.47 (8,722.80)	571.41 (-)	– (-)	– (1.00)	23.60 (1.00)	36.50 (-)	– (375.38)	– (-)
Investments as at year end	80,925.87 (45,593.40)	3,710.77 (3,139.36)	– (-)	– (1.00)	24.60 (1.00)	36.50 (-)	1,954.59 (1,954.59)	– (-)
Share Application Money paid by the Company during the year	– (-)	– (-)	– (-)	– (1.00)	10.00 (1.00)	– (-)	227.00 (370.28)	– (-)
Share Application Money paid by the Company as at year end	– (-)	2,450.55 (3,021.96)	– (-)	– (-)	– (-)	– (-)	227.00 (-)	– (-)
Trade Advance / Loans given during the year	– (-)	20,092.50 (20.91)	– (-)	– (4.68)	1.03 (0.19)	34.68 (-)	38.33 (0.15)	– (-)
Interest Accrued	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)
Product and Service Income/ Expenses (-)	– (-)	58,260.28 (42,003.97)	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)
Outstanding balance as on Mar-31, 2011 (-) Cr	– (-)	54,196.18 (35,270.07)	– (12.23)	– (4.68)	1.23 (0.19)	55.15 (-)	38.48 (0.15)	– (-)
Managerial Remuneration								
– Pankaj Kumar	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	18.00 (18.00)
– Kiran Kulkarni	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	18.00 (18.00)
– Prashant Mulekar	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	– (-)	18.00 (18.00)

NOTES ON ACCOUNTS
(ii) Transactions with related parties:

₹ in lakhs

Nature of Transaction	Indirect Holding							
	INI Current (Prev) Year	PD Current (Prev) Year	GHLK Current (Prev) Year	EAI Current (Prev) Year	ZTL Current (Prev) Year	SCPL Current (Prev) Year	GT FZE Current (Prev) Year	FIPL Current (Prev) Year
Investments made during the year	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	31.50 (5.00)
Investments as at Year end	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	36.50 (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	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	34.68 (20.47)
Interest Accrued	- (-)	- (-)	14.92 (14.67)	- (-)	- (-)	- (-)	- (-)	- (-)
Product and Service Income/ Expenses (-)	- (-)	- (-)	- (-)	- (-)	- (-)	-54.78 (-)	- (-)	- (-)
Outstanding balance as on Mar-31, 2011 (-) Cr	- (-)	- (-)	368.61 (353.70)	- (-)	- (-)	- (-)	- (-)	55.15 (20.47)
Managerial Remuneration								
- Pankaj Kumar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
- Kiran Kulkarni	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
- Prashant Mulekar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

8. Earnings per Share:

₹ in lakhs

	2010-11	2009-10
(a) Profit for the year after tax	23,455.95	16,782.38
Add / (Less): Prior period adjustments	6.47	1.08
(Less): Prior period taxation	-	(93.16)
Add: Exceptional Income	-	797.97
Net Profit after tax for Equity Shareholders	23,462.42	17,488.28
Weighted Average number of equity shares outstanding	9,10,50,900	9,22,28,636
Basic Earnings per share (₹)	25.77	18.96
(b) Weighted Average No. of Equity Shares outstanding	9,10,50,900	9,22,28,636
Add: Effect of dilutive issue of stock options and warrants	3,64,552	4,79,918
Considered for diluted EPS	9,14,15,452	9,27,08,555
Diluted Earnings Per Share (₹)	25.67	18.86
Face Value per Share (₹)	2.00	2.00

NOTES ON ACCOUNTS

9. Employees Stock Option Plan 2002:

The Company has share based payment scheme to its employees.

During the year ended March 31, 2011 the following schemes were in operation:

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

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

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	No. of Shares	Weighted Average Exercise Price (₹)	No. of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	3,632,715	140.97	3,328,130	150.27
Options granted	Nil	Nil	500,000	73.90
Exercised during the year	2,550	85.40	28,825	85.40
No of Options Lapsed	193,047	147.05	166,590	135.08
Outstanding at the end of the year	3,437,118	140.63	3,632,715	140.97
Exercisable at the end of the year	3,437,118		3,132,715	
Weighted average remaining contractual life (in months)	79.62		91.80	
Weighted average fair value of the options granted	157.24		156.98	

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 11	₹ 26.81 – ₹ 210.05	3,437,118	79.62	140.63
31 Mar 10	₹ 26.81 – ₹ 210.05	3,632,715	91.80	140.97

10. Subsidiary Companies / Acquisition of Companies:

During the year the Company invested ₹ 35,332.47 lakhs (P.Y. ₹ 8,722.80 lakhs) towards 77,999,900 (P.Y. 19,000,000) shares of US\$ 1 each in Geodesic Holdings Limited, Mauritius. The said investment amount 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 acquired Zomo Technologies Ltd through its 100% subsidiary Geodesic Holdings Ltd, Mauritius.

A sum of ₹ 14.92 lakhs (P.Y. ₹ 14.67 lakhs) has been accrued towards interest receivable from Geodesic (Hong Kong) Ltd., Hong Kong, a 100% subsidiary of the Company for the year and the same has been shown under "Loans and Advances" in Schedule 12 of the Accounts.

NOTES ON ACCOUNTS

The Company had invested ₹ 3,021.96 lakhs in Geodesic Technology Solutions Limited a 100% subsidiary which is lying in Share Application which was to be allotted during financial year 2010-11. During the year ₹ 571.41 lakhs has been converted to equity by allotment of 100,00,000 equity shares of HKD 1 each at par, as a result of which the amount lying in Share Application as at the end of the financial year pending allotment is ₹ 2,450.55 lakhs.

As at the year end, closing balance of ₹ 5,492.41 lakhs (P.Y. ₹ 5,662.02 lakhs) net of foreign exchange rate fluctuation, is shown under “Loans and Advances” in Schedule 12 of the Accounts.

During the year, the Company has applied for an additional 22,70,000 equity shares of ₹ 10 each in Chandamama India Limited on a preferential basis for an amount of ₹ 227 lakhs. This money is lying in Share Application pending allotment.

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

- a) ITM Digital Private Limited (IDPL) was incorporated as a subsidiary in FY 2009-10, but thereafter Zee Entertainment Limited invested 60% in the Company, after which it ceased to be a subsidiary of the Company. During the year the Company has made additional investment to ₹ 40,00,000 (P.Y. ₹ 99,990).
- b) Geodesic Gridpoint Energy Private Limited (GGEPL) with an investment of ₹ 24,59,990 (P.Y. ₹ 99,990).
- c) The Company has invested further funds of ₹ 31,50,000 (P.Y. ₹ 5,00,000) in Filmorbit.Com India Private Limited (FIPL) to increase its stake to 87.95%. Consequently, FIPL has become a subsidiary of the Company during the year.

11. 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:

₹ in lakhs

Name of Subsidiary	2010-11				2009-10			
	As on 1 st April, 2010	Applied during the year	Allotment during the year	As on 31 st March, 2011	As on 1 st April, 2009	Applied during the year	Allotment during the year	As on 31 st March, 2010
Geodesic Technology Solutions Ltd, Hong Kong	3,021.96	–	571.41	2,450.55	3,021.96	–	–	3,021.96
Geodesic Gridpoint Energy Private Ltd	–	33.60	23.60	10.00	–	–	–	–
Filmorbit.Com India Pvt Ltd	8.19	–	8.19	–	–	8.19	–	8.19
Chandamama India Ltd	–	227.00	–	227.00	–	5.10	5.10	–
	3,030.15	260.60	603.20	2,687.55	3,021.96	13.29	5.10	3,030.15

12. Balances with Banks:

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

₹ in lakhs

Name of the Bank	2010-11	2009-10
Barclays Commercial Bank - UK	3.92	3.96
HSBC Pvt Bank (Jersey) Ltd	1,126.50	1,138.86
UBS AG, Singapore	7.38	8.23
ICICI Bank Ltd, UK Branch	0.08	0.08
Total ₹	1,137.90	1,151.13

NOTES ON ACCOUNTS

(B) Balances with Scheduled Banks in:

(i) Current Account

₹ in lakhs

Name of the Bank	2010-11	2009-10
ABN-Amro Bank	0.10	0.10
AXIS Bank Ltd	6,719.26	91.57
AXIS Bank Ltd, Bangalore	0.92	0.57
Axis Bank Ltd, Roorkee	0.91	5.50
Bank Of India	0.94	0.94
Barclays Bank Plc	50.95	0.00
Citi Bank, N.A.	12.43	1.82
Corporation Bank Ltd	0.80	0.80
Deutsche Bank Ltd	8.15	19.56
Development Bank of Singapore	34.65	6.27
HDFC Bank Ltd	21.94	15.60
HDFC Bank Ltd, Bangalore	0.13	0.17
HDFC Bank Ltd, Roorkee	291.98	14.29
HSBC Bank Ltd	2.01	2.65
ICICI Bank Ltd	48.44	80.42
ICICI Bank Ltd, Bangalore	0.80	41.18
Oriental Bank of Commerce	0.00	0.13
Reliance Capital Asset Mgmt Ltd	0.00	0.03
Standard Chartered Bank	0.27	11,285.34
Union Bank Of India	1.11	1.77
YES Bank Ltd	0.43	0.43
Total	7,196.20	11,569.14

(ii) Short Term Fixed Deposit Accounts

₹ in lakhs

Name of the Bank	2010-11	2009-10
AXIS Bank Limited	8,828.13	3,525.98
Deutsche Bank Limited	–	3,000.00
Union Bank Of India Limited	0.63	8.95
Barclays Bank PLC	84.75	–
HDFC Bank Limited	2.72	2.68
Total	8,916.23	6,537.61

NOTES ON ACCOUNTS

13. 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 31 st March, 2011	As at 31 st March, 2010
1.	Employment and Retirement Benefits		
	(a) Post employment Benefits		
	Defined contribution plans		
	Company's contribution to Provident Fund	142.89	121.99
	(b) Defined benefit scheme		
	Obligation at period beginning	80.52	64.79
	Service Cost	27.92	18.16
	Interest Cost	6.44	6.06
	Actuarial (gain) / loss	18.55	0.90
	Benefits Paid	(13.95)	(9.41)
	Amendment in benefit plans	–	–
	Obligation at period end Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company	119.49	80.52
	Change in plan assets		
	Plan assets at period beginning, at fair value	79.06	62.04
	Expected return on plan assets	7.18	6.24
	Actuarial gain / (loss)	0.00	(0.56)
	Contributions	18.55	20.74
	Benefits Paid	(13.95)	(9.41)
	Plan assets at period end, at fair value	90.84	79.06
	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	90.84	80.52
	Present value of the defined benefit obligations at the end of the period	119.49	79.06
	(Asset) / Liability recognized in the balance sheet	28.65	1.45
	Assumptions		
	Interest Rate	8.25%	8%
	Estimated rate of return on plan assets	9.15%	8%
	(c) Gratuity cost for the period		
	Service Cost	27.92	18.16
	Interest Cost	6.44	6.06
	Expected return on plan assets	(7.18)	(6.24)
	Actuarial (gain) / loss	18.55	1.46
	Amortizations (Reduction in benefit)	–	–
	Net gratuity cost	45.74	19.44
	Interest Rate	8.25%	8%
	Estimated rate of return on plan assets	9.15%	8%
	(d) Defined benefit scheme		
	Leave Encashment		
	Obligation at period beginning	46.32	36.86

NOTES ON ACCOUNTS

₹ in lakhs

Particulars	As at 31 st March, 2011	As at 31 st March, 2010
Service Cost	6.27	14.20
Interest Cost	3.71	3.75
Actuarial (gain) / loss	5.07	(3.21)
Benefits Paid	(13.70)	(5.28)
Amendment in benefit plans	-	-
Obligation at period end	47.68	46.32
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
Change in plan assets		
Plan assets at period beginning, at fair value	50.18	35.51
Expected return on plan assets	4.35	3.96
Actuarial gain / (loss)	0.00	(0.60)
Contributions	17.23	16.59
Benefits Paid	(13.70)	(9.41)
Plan assets at period end, at fair value	58.07	79.06
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	58.07	46.32
Present value of the defined benefit obligations at the end of the period	47.68	50.18
(Asset) / Liability recognized in the balance sheet	(10.39)	(3.86)
Assumptions		
Interest Rate	8.25%	8%
Estimated rate of return on plan assets	9.15%	8%
(e) Leave Encashment Cost for the period		
Service Cost	6.27	14.20
Interest Cost	3.71	3.75
Expected return on plan assets	(4.35)	(3.96)
Actuarial (gain) / loss	5.07	(2.62)
Amortizations (Reduction in benefit)	-	-
Net leave encashment cost	10.70	11.38
Interest Rate	8.25%	8%
Estimated rate of return on plan assets	9.15%	8%

14. Prior Period Adjustments represent:

₹ in lakhs

Description	2010-11	2009-10
Service Tax	-	0.60
Gratuity	-	(0.19)
Provision for final dividend reversed on account of buy back of buyback of shares	(13.20)	-
Other Miscellaneous Expenses	6.97	(1.51)
Total	(6.73)	(1.10)

NOTES ON ACCOUNTS
15. Auditors' Remuneration:

₹ in lakhs

Description	2010-11	2009-10
Audit Fees	13.24	11.03
Tax Audit Fees	3.31	1.65
Other matters	—	3.53

16. Earnings in Foreign Currency:

₹ in lakhs

Description	2010-11	2009-10
Product and Service Income	64,941.34	47,932.10

17. Expenditure in Foreign Currency:

₹ in lakhs

Description	2010-11	2009-10
Travelling Expenses	3.01	2.06
Import of Hardware/Software (capitalized)	91.77	33.26
Import of Hardware/Software	700.22	—
Professional Fees	0.59	25.95
Others	86.09	82.61
Total	881.68	143.88

18. 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, 2011 in foreign currency on account of the following:

Particulars	2010-11			2009-10		
	₹ in lakhs	Value in foreign currency		₹ in lakhs	Value in foreign currency	
Product and Service Income	34,791.19	USD	77,919,807	35,316.86	USD	78,238,491
Less: Hedged Debtors *	21,543.65	USD	48,250,056	—		—
Un-Hedged Debtors	13,247.54		29,669,751	35,316.86		78,238,491
Investment in Foreign Companies						
Geodesic Tech Solutions Ltd	3,710.77	HKD	60,000,000	3,139.36	HKD	50,000,000
Geodesic Holdings Ltd	80,925.87	USD	173,265,100	45,593.40	USD	95,265,100

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

19. Disclosure for operating leases:
a) Non-cancellable lease:

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

The aggregate lease rentals are charged as Rent under Schedule 20.

NOTES ON ACCOUNTS

Non Cancellable Lease:

Particulars	₹ in lakhs	
	2010-11	2009-10
Not later than one year	212.23	14.40
Later than one year but not later than 5 years	962.14	233.65
Later than 5 years but not later than 15 years	896.14	130.02

b) Cancellable lease:

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

The aggregate lease rentals are charged as Rent under Schedule 20.

Particulars	₹ in lakhs	
	2010-11	2009-10
Not later than one year	103.22	100.36
Later than one year but not later than 5 years	64.38	72.01
Later than 5 years but not later than 15 years	–	86.40

20. The Company has investments in its wholly owned subsidiary, Chandamama India Limited to the tune of ₹ 1,954.59 lakhs. The net worth of this subsidiary is negative / less than 25% of investment in that subsidiary as on 31st march, 2011. The Company has not made any provision against diminution in value of investment in shares of the aforesaid subsidiary. The management is confident of fetching the value of investment based on the assets owned by the Company – both physical and non-physical. The Company is in the process of producing two animation film series, enhancing its subscription base and selling content on new media which will ultimately generate profits in the coming year.
21. 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.
22. The production of software is not capable of being expressed in any generic unit. However, the Company manufactures/deals in a hardware product. The quantitative information as required by certain clauses of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 are attached separately. Also, as the activities of the Company do not require industrial licensing, the figures for licensed capacity are not given.

NOTES ON ACCOUNTS

STATEMENTS MENTIONED IN NOTE 22 OF SCHEDULE 22 OF THE ACCOUNTS

Details of Turnover and Stocks in respect of Finished Goods for FY 2010-11

(Value in ₹ lakhs)

Class of Goods	Units	Op. Stk Qty	Value ₹	Production Qty	Value ₹	Transfers (Out) / In	Value ₹	Sales Qty	Value ₹	Cl. Stock Qty	Value ₹
Geoamida Roorkee	Numbers	103	21.05	8133	1,410.54	(100)	(8.65)	8136	1,421.62	100	9.97
Geoamida – Bangalore	Numbers	–	–	–	–	100.00	8.65	–	–	100	8.65

Quantitative details of Finished Goods

Class of Goods	2010-11	
	Nos	% age
Opening Stock	103	–
Production	8133	–
	8236	100.00
Sale During the Year		
Domestic Sales	8131	98.73
Export Sales	5	0.06
	8136	
Balance Units	100	1.21

Raw Material Consumed for FY 2010-11

Class of Goods	Units	Op. Stk Qty	Value ₹	Purchase Qty	Value ₹	Consumption Qty	Value ₹	Cl. Stock Qty	Value ₹
GeoAmida	Numbers	320	362.13	13958319	1,403.40	3810606	1,002.12	10148033	763.42

Consumption of Imported and Indigenous Raw Materials

Particulars	2010-11	
	₹ in Lakhs	% age
Imported	644.32	60
Indigenous	429.55	40
Total	1,073.87	100

NOTES ON ACCOUNTS

23. 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: 29th August, 2011

For and on behalf of the Board of Directors

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
State Code No.	11
Balance Sheet Date	31.03.2011
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)	(42.05)
III. Position of Mobilisation and Development of Funds	
Total Liabilities	191,567.02
Total Assets	191,567.02
Source of Funds	
Paid - up Capital	1,802.83
Share Application Money	-
Reserves & Surplus	95,129.27
Secured Loans	7.60
Unsecured Loans	61,399.22
Deferred Tax Liabilities	117.92
Application of Funds	
Net Fixed Assets	10,440.58
Capital WIP	2,886.30
Investments	87,096.45
Deferred Tax Assets	-
Net Current Assets	57,524.59
Miscellaneous Expenditure	508.92
IV. Performance of Company	
Turnover	67,303.30
Total Expenditure	43,544.85
Profit Before Tax	23,758.45
Profit After Tax and Exceptional Item	23,462.69
Earning per share	25.77
Equity Dividend Rate % *	137.50
* (includes 67.5% 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

For Geodesic Limited

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

Mumbai, 29th August, 2011

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, 2011 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 financial 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 which reflect aggregate assets of ₹ 1,91,820.98 lakhs as at 31st March, 2011 and aggregate revenue of ₹ 19,842.57 lakhs for the year then ended. Financial Statements of the Mauritian and Hong Kong 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 reports of those Auditors.
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, 2011 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 : 29th August, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SOURCES OF FUNDS			
Shareholders Funds :			
Share Capital	1	1,802.83	1,844.88
Reserves & Surplus	2	113,024.36	90,065.35
Minority Interest		61.13	52.62
Loan Funds :			
Secured Loans	3	99.95	37.13
Unsecured Loans	4	61,409.72	58,691.59
Deferred Tax Liability (Net)	5 / 8	119.84	-
		176,517.83	150,691.57
APPLICATION OF FUNDS			
Goodwill on consolidation (Refer Note 2-b of Sch. 23)		1,198.20	1,173.47
Fixed Assets :			
Gross Block	6	47,284.82	31,749.28
Less: Accumulated Depreciation/Amortization		22,611.63	14,906.65
Net Block		24,673.19	16,842.63
Capital Work in Progress		2,914.19	8,493.92
		27,587.38	25,336.55
Investments	7	710.35	31,578.88
Deferred Tax Assets	8	-	169.36
Current Assets, Loans and Advances :			
Inventory	9	1,113.95	412.01
Sundry Debtors	10	41,730.49	20,990.92
Cash and Bank Balance	11	128,262.95	56,933.38
Loans & Advances	12	11,606.17	29,588.07
Share Application towards allotment of Equity Shares		-	8.19
		182,713.56	107,932.57
Less: Current Liabilities and Provisions :			
Current Liabilities	13	31,588.68	12,027.12
Provisions	14	4,626.14	4,270.71
Net Current Assets		146,498.74	91,634.74
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	523.16	798.57
		176,517.83	150,691.57
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

CA Rajesh Batham
Partner
Membership No. 035941
FRN : 101569W

Mumbai: 29th August, 2011

For and on behalf of the Board of Directors

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule	31 st March, 2011 ₹ in lacs	31 st March, 2010 ₹ in lacs
Income from Operations	16	87,303.95	63,736.15
Increase in Stock of Finished Goods		44.43	24.29
Other Income	17	1,445.48	1,244.94
		88,793.86	65,005.38
EXPENDITURE:			
Operational Expenses	18	32,314.37	20,052.12
Consumption of paper	19	249.90	65.50
Employees Costs	20	3,136.02	2,620.56
Other Administrative Expenses	21	10,383.09	8,323.85
Finance Cost	22	4,766.39	4,051.34
Depreciation/Amortization	6	9,978.70	8,015.30
Miscellaneous Expenditure written off	15	289.28	342.53
		61,117.75	43,471.20
Net Profit Before Taxes		27,676.11	21,534.18
Less: Taxation Expense:			
– Current Tax		26.70	0.76
– Deferred Tax (Credit)/Charge		289.27	(189.30)
Net Profit after Tax		27,360.14	21,722.72
Less: Prior Period (Income)/Expenditure (Refer Note 2-j of Schedule 23)		(4.48)	66.33
Less: Prior Period Taxation		–	93.16
Profit for the year (before adjustment of Minority Interest)		27,364.62	21,563.23
Minority Interest		(7.29)	(8.88)
Add : Exceptional Income (See Note 2-f of Schedule 23)		–	797.97
Net Profit after Exceptional Income		27,371.91	22,370.08
Balance brought forward		69,391.30	50,275.89
Minority Interest balance brought forward		(30.67)	–
Less: Loss of new subsidiary/investment in subsidiary transferred to GHL		(28.12)	(378.53)
Profit available for appropriation		96,704.41	73,024.50
Appropriations			
Less: Interim Dividend paid		1,216.91	691.83
Less: Corporate Tax on Interim Dividend		–	117.58
Less: (Excess)/Short Provision made for tax on Final Dividend FY 2007-08		(1.45)	–
Less: Proposed Equity Dividend		1,261.98	922.44
Less: Tax on Proposed Equity Dividend		–	152.46
Less: Transfer to General Reserve		2,346.27	1,748.90
Profit carried to Balance Sheet		91,880.70	69,391.30
Notes to Accounts	23		
Earnings per share			
Basic Earnings per Equity Share		30.06	24.25
Diluted Earnings per Equity Share		29.90	24.12
Nominal Value per Equity Share		2.00	2.00

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

CA Rajesh Batham
Partner
Membership No. 035941
FRN : 101569W

Mumbai: 29th August, 2011

For and on behalf of the Board of Directors

Kiran Kulkarni
Managing Director

Pankaj Kumar
Chairman

Swati Gupta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11 ₹ in lacs	2009-10 ₹ in lacs
A Cash flow From Operating Activities:		
Net Profit before Tax and prior period adjustments	27,676.11	21,534.18
Adjustment for		
– Depreciation/Amortisation	9,978.70	8,015.30
– Prior Period Adjustments/Taxation	4.48	(159.49)
– (Increase)/Decrease in stock of finished goods	(44.43)	(24.29)
– Miscellaneous Expenditure written off	289.28	342.53
– Loss/(Profit) on Forward Contracts	1,448.52	2,940.40
– Loss/(Profit) on sale of Fixed Assets (Net)	4.92	1.72
– (Profit)/Loss on sale of current investments (Net)	662.99	(114.79)
– Loss/(Profit) from PMS Investments	(67.82)	–
– Foreign Exchange (Gain)/Loss (Net)	541.14	(307.26)
– Dividend Income	(48.59)	(41.42)
– Interest Income	(1,777.95)	(702.56)
– Interest Expenses	3,724.01	3,779.71
– Bad Debts written off	45.25	15.66
– Balances written off/Advances written off (net)	289.58	28.97
– Investments written off/Diminution in value of investments	216.14	–
Operating Profit before Working Capital Changes	42,942.33	35,308.66
Movements in working capital :		
Decrease/(Increase) in sundry debtors	(20,739.57)	9,053.08
Decrease/(Increase) in loans & advances	13,438.38	(7,266.46)
(Decrease)/Increase in provision for leave encashment and gratuity	17.95	(41.87)
Decrease/(Increase) in inventory	(701.94)	(366.59)
(Decrease)/Increase in current liabilities	19,561.56	5,630.05
Cash Generated From Operation	54,518.71	42,316.87
Direct Tax Paid (net of refunds)	(388.21)	(433.83)
Net Cash from/(used in) Operating Activities	54,130.49	41,883.04
B. Cash flow From Investing Activities:		
– Purchase of Fixed Assets	(7,092.03)	(10,298.01)
– Sale of Fixed Assets	0.29	0.05
– (Purchase)/Sale of Current Investment (Net)	21,272.20	(15,108.99)
– Share application money transferred to equity/(paid)	8.19	(8.19)
– Effect of cross currency exchange rates on consolidation	1,034.44	(1,503.87)
– Repayment of Loan from Director	–	17.32
– Intercompany Deposits redeemed/(given)	4,761.75	(3,538.54)
– Profit on Sale/maturity of Investments	(662.99)	114.79
– Interest Received	1,180.32	103.19
– Dividend Received	48.59	6.28
– (Loss)/Profit on Forward Contracts	(1,448.52)	(2,940.40)
Net Cash from/(used in) Investing Activities	19,102.24	(33,156.37)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	2010-11 ₹ in lacs	2009-10 ₹ in lacs
C. Cash flow From Financial Activities:		
– Proceeds from issue of share capital	(2,077.86)	24.62
– Share Issue Expenses	(0.01)	(0.98)
– Profit on buy back of FCCB	–	797.97
– (Decrease)/Increase in Unsecured Loans	2,718.13	(5,404.59)
– Repayment of Long term Borrowings	62.82	(171.68)
– Dividend Paid	(2,120.49)	(1,429.55)
– Interest Paid	(334.74)	(201.21)
– Tax on Dividend paid	(151.01)	(242.95)
Net Cash from/(used in) Financial Activities	(1,903.16)	(6,628.36)
Net Increase/Decrease in Cash and Cash Equivalents (A + B + C)	71,329.57	2,098.31
Cash and Cash Equivalents at the beginning of the year	56,933.38	54,835.07
Cash and Cash Equivalents at the end of the year	128,262.95	56,933.38
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	3.24	3.21
With Banks : in current account	29,605.45	22,472.62
in fixed deposit	98,654.26	34,457.55
	128,262.95	56,933.38

As per our report on even date

For **Borkar & Muzumdar**
Chartered Accountants

CA Rajesh Batham
Partner
Membership No. 035941
FRN : 101569W

Mumbai: 29th August, 2011

For and on behalf of the Board of Directors

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, 2011

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ 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		
9,01,41,349 (P.Y. 9,22,43,799) Equity Shares of ₹ 2 each fully paid up	1,802.83	1,844.88
	1,802.83	1,844.88
SCHEDULE 2:		
Reserves & Surplus		
Securities Premium Account		
Balance as per last Balance Sheet	16,515.52	16,491.48
(Less)/Add : (Decrease)/Increase during the year (Refer Note 2e of Sch.23)	(2,035.81)	24.04
	14,479.71	16,515.52
Hedge Reserve Account (Refer Note 1j of Schedule 23)		
Addition during the year	988.61	-
Share Forfeiture Reserve Account	0.01	0.01
Add : Additions during the year	1.48	-
	1.49	0.01
General Reserve		
Balance as per last Balance Sheet	5,670.26	3,921.36
Add : Transferred from Profit & Loss Account	2,346.27	1,748.90
	8,016.53	5,670.26
Balance in Profit & Loss Account		
Add : Pre-acquisition profit of subsidiaries	91,880.70	69,391.30
	966.87	861.91
	92,847.57	70,253.21
Fair Value Reserve		
Legal and volunteer reserves	21.83	42.82
Foreign Currency Translation Reserve		
	(3,450.91)	(2,416.47)
TOTAL	113,024.36	90,065.35
SCHEDULE 3:		
Secured Loans		
Kotak Mahindra Prime Limited (Secured against hypothecation of cars)	12.99	1.40
Loans repayable within one year ₹ 2.40 lacs (P.Y. ₹ 1.40 lacs)		
HDFC Bank Limited (overdraft secured against hypothecation of stocks, book debts and machinery)	3.63	35.73
Term Loan – HDFC Bank (against corporate guarantee of holding company, Geodesic Ltd.)	83.33	-
(Loans repayable within one year ₹ 33,33,333)		
TOTAL	99.95	37.13
SCHEDULE 4:		
Unsecured Loan		
Zero Coupon Convertible Bonds [including interest accrued but not due ₹ 10721.47 lacs (P.Y. ₹ 7457.69 lacs)] (Refer Note 2-f of Schedule 23)	61,399.22	58,691.59
Loan from others	10.50	-
	61,409.72	58,691.59
SCHEDULE 5:		
Deferred Tax Liability (Net):		
- Deferred tax liability	0.21	-
- Provision for doubtful debt	0.01	-
- Difference due to book and tax depreciation (post tax holiday)	75.72	-
- Difference due to book and tax depreciation	44.19	-
TOTAL	120.13	-

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 6:

Fixed Assets

Description	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At 1-Apr-2010 ₹ in lacs	Additions During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2011 ₹ in lacs	As At 1-Apr-2010 ₹ in lacs	During the Year ₹ in lacs	Deductions During the Year ₹ in lacs	As At 31-Mar-2011 ₹ in lacs	As At 31-Mar-2011 ₹ in lacs	As At 31-Mar-2010 ₹ in lacs
Tangible Assets :										
Plant & Machinery	11.44	9.15	—	20.59	1.13	1.50	—	2.63	17.96	10.31
Computers	9,958.22	1,859.61	0.89	11,816.94	3,229.70	2,962.89	0.14	6,192.45	5,624.50	6,728.52
Vehicles	68.01	18.58	0.46	86.14	56.65	5.44	0.11	61.99	24.15	11.36
Leasehold Improvements – Chandamama	11.06	3.46	4.68	9.84	4.08	3.46	2.15	5.40	4.44	6.97
Leasehold Improvements – Roorkee	0.85	—	—	0.85	0.11	0.17	—	0.28	0.57	0.73
Leasehold Improvements – Blore	202.19	—	—	202.19	104.72	46.50	—	151.22	50.97	97.47
Leasehold Improvements – Mumbai	457.71	—	—	457.71	46.27	30.53	—	76.80	380.91	411.44
Furniture & Fixtures	140.25	8.60	1.26	147.58	84.76	12.12	0.28	96.59	50.99	55.49
Office Equipment	214.54	29.42	0.96	243.00	63.95	25.44	0.13	89.26	153.75	150.59
Total	11,064.26	1,928.82	8.24	12,984.84	3,591.38	3,088.05	2.81	6,676.61	6,308.22	7,472.89
Intangible Assets :										
Internally Generated Software	3,901.33	6,604.71	—	10,506.05	1,255.10	1,082.26	—	2,337.36	8,168.69	2,646.24
Testing & Tooling Software	6,932.96	—	—	6,932.96	4,500.17	973.12	—	5,473.29	1,459.68	2,432.80
Other Software	565.52	154.64	—	720.16	319.44	117.62	—	437.06	283.11	246.08
Patent & IPR	1,609.33	13.67	—	1,623.00	2.23	2.29	—	4.52	1,618.47	1,607.10
Goodwill	5,390.13	9,127.69	—	14,517.82	2,952.67	4,730.12	—	7,682.79	6,835.02	2,437.46
Total	18,399.28	15,900.71	—	34,299.98	9,029.60	6,905.41	—	15,935.02	18,364.97	9,369.67
Transfer to CWIP *	—	—	—	—	—	14.76	—	—	—	—
Current Year Total	29,463.54	17,829.53	8.24	47,284.82	12,620.98	9,978.70	2.81	22,611.63	24,673.19	16,842.56
CWIP	8,493.92	754.94	6,334.67	2,914.19	—	—	—	—	2,914.19	8,493.92
Current Year Grand Total	37,957.46	18,584.47	6,342.91	50,199.01	12,620.98	9,978.70	2.81	22,611.63	27,587.38	25,336.48
Previous Year	34,597.25	14,922.38	9,276.43	40,243.20	12,786.92	8,015.30	5,908.13	14,906.65	25,336.55	21,810.33

* 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, 2011

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ 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	130.79	346.93
(B) In Equity Shares – Unquoted		
Nil (P.Y. 49,999) shares in Filmorbit.Com India Pvt Ltd. of ₹ 10 each paid up	–	5.00
409.999 (P.Y.Nil) shares in ITM Digital Pvt Ltd. of ₹ 10 each paid up	41.00	–
5,000 (P.Y. Nil) Republique Media Private Ltd. of ₹ 10 each paid up	0.50	–
Other Investments-Non Trade		
Current Investments (at lower of cost and market value)		
(A) Overseas Investment – unquoted		
Arrowpoint Technologies Limited	243.41	266.84
Capital Protection Scheme of ADG Fund Ltd.	–	30,578.99
Stock (Publicidad Digital SA shares)	22.33	22.57
(B) In Mutual Funds – unquoted		
GROWTH FUNDS :		
DSP Merrill Lynch Equity Fund – Regular Growth	24.19	24.19
3,15,548.58 (P.Y. 3,15,548.58) units, face value ₹ 10		
Reliance Growth Fund – Growth Option	5.53	5.53
2,669.172 (P.Y. 2,669.172) units, Face Value ₹ 100		
Reliance Natural Resources Fund – Growth Plan – Growth Option	60.15	60.15
977,995.110 (P.Y. 977,995.110) Units, Face value ₹ 10		
LICMF Savings Plus Fund – Growth Plan	25.00	25.00
174,167.479 (P.Y. 174,167.479) Units, Face value ₹ 10		
BMF Gold Bees NFO	9.88	9.88
1,041.72 (P.Y. 1,041.72) units, Face value ₹ 1000		
INCOME FUNDS:		
DWS Insta Cash Plus Fund – Super Institutional – Plan Daily Dividend	–	0.42
Nil (P.Y. 4,157.048) units, Face Value ₹ 10		
HDFC Equity Fund – Dividend Option	10.14	8.67
39,934.156 (P.Y. 36,677.083) Units, Face value ₹ 10		
JM Advantage Arbitrage Fund-Dividend Plan	67.80	64.21
675,887.927 (P.Y. 640,511.753) units, Face Value ₹ 10		
Sundaram BNP Paribas Entertainment Opportunity – Div	26.32	26.32
252,593.132 (P.Y. 252,593.132) units, face value ₹ 10		
TATA Equity Management Fund	35.22	35.22
5,00,000 (P.Y. 5,00,000) units, Face Value ₹ 10		
UTI Master Index Fund	7.09	7.09
23,655.146 (P.Y. 23,655.146) units, Face Value ₹ 10		
Sundaram BNP Paribas Ultra ST Fund Retail -Daily Div	–	10.12
Nil (P.Y. 100,837.010) units, Face Value ₹ 10		
National Savings Certificate	–	0.03
# Reliance Capital Asset Management Company (PMS)	–	80.72
TOTAL	710.35	31,578.88
# 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	578.56	31,230.95
Aggregate amount of quoted investments	131.79	347.93
Market value of quoted investments	133.77	149.32

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SCHEDULE 8:		
Deferred Tax Asset (Net):		
Deferred tax asset		
– Difference due to book and tax depreciation	0.07	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	0.22	(0.04)
TOTAL	0.29	169.36
SCHEDULE 9 :		
Inventory		
Closing Stock of Finished Goods		
GeoAmida (valued at lower of cost or market value)	18.62	21.05
Raw Material (valued at cost)	728.57	1.28
Work in Progress – GeoAmida (valued at cost)	34.85	361.40
Stock of spares	11.92	–
Packing material	2.95	–
Goods in transit	230.14	–
Newsprint – printing paper	5.39	10.48
Stock of books	42.50	15.76
Stock of unsold copies of magazines	1.60	2.04
Stock WIP (Multimedia)	37.41	–
TOTAL	1,113.95	412.01

Details of Investments Purchased and Sold during the year 2010-11

Particulars	No of Units	Face Value ₹	Purchase Cost ₹ in Lacs
Growth Funds			
Reliance Liquidity Fund – Growth Option	719,357.1820	10.0000	100.00
Income Funds			
Liquid Funds:			
Birla Sun Life Cash Manager – IP – Daily Dividend – Reinvestment	1,499,550.1350	10.0000	150.00
Birla Sun Life Cash Plus – Instl. Prem. – Daily Dividend – Reinvestment	4,591,047.4570	10.0000	460.00
Canara Robeco Floating Rate St Daily Dividend Fund	1,705,653.0214	10.0000	175.00
Canara Robeco Liquid Super Instt Daily Dividend Reinvest Fund	497,265.0423	10.0000	50.00
DWS Insta Cash Plus Fund – Super Institutional Plan Daily Dividend – Reinvest	3,738,634.5520	10.0000	375.00
JM Money Manager Fund Super Plus Plan – Daily Dividend	999,470.2810	10.0000	100.00
Kotak Floater Short Term – Daily Dividend	15,272,533.1650	10.0000	1,545.00
Kotak Flexi Debt Scheme Institutional – Daily Dividend	1,990,544.9120	10.0000	200.00
Kotak Liquid (Institutional Premium) – Daily Dividend	2,208,029.0479	10.0000	270.00
LICMF Liquid Fund – Dividend Plan	8,196,646.6610	10.0000	900.00
ICICI Prudential Flexible Income Plan Premium – Daily Dividend	141,864.0942	100.0000	150.00
ICICI Prudential Floating Rate Plan D – Daily Dividend	1,449,666.5767	100.0000	1,450.00
ICICI Prudential Liquid Super Institutional Plan – Dividend – Daily	649,853.7829	100.0000	650.00
Reliance Liquid Fund – Cash Plan – Daily Dividend Option	3,141,408.2490	10.0000	350.00
Reliance Liquidity Fund – Daily Dividend – Reinvestment Option	15,741,971.5950	10.0000	1,575.00
Reliance Money Manager Fund – Institutional Option – Daily Dividend Plan	29,958.9114	1,000.0000	300.00
Sundaram Money Fund Inst. – Daily Div. Rein	1,981,119.9270	10.0000	200.00

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SCHEDULE 10:		
Current Assets, Loans and Advances :		
Sundry Debtors		
Debts outstanding for a period exceeding six months		
Considered Good	3,190.79	1,990.35
Considered Doubtful	12.83	7.83
	<u>3,203.62</u>	<u>1,998.18</u>
Other Debts-considered good	38,539.70	18,992.74
	<u>41,743.32</u>	<u>20,990.92</u>
Less : Provision for Doubtful Debts	12.83	-
TOTAL	<u>41,730.49</u>	<u>20,990.92</u>
SCHEDULE 11 :		
Cash and Bank Balances		
Cash in Hand	3.24	3.21
Balance with Scheduled Banks :		
In Current A/c	7,203.39	11,572.44
In Fixed Deposits*	8,916.60	6,537.96
Balance with Non-Scheduled Banks in Foreign Currency:		
In Current A/c **	22,402.06	10,900.18
In Fixed Deposits**	89,737.66	27,919.59
TOTAL	<u>128,262.95</u>	<u>56,933.38</u>
* includes ₹ 113 lacs (P.Y. ₹ 35.95 lacs) pledged in favour of banks as margin money against guarantee given by the Bank		
** Refer Note 2h 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	51.80	26.60
Advance recoverable in cash or in kind or for value to be received	4,821.09	18,280.72
Inter Corporate Deposits	2,975.08	7,736.83
Leave Encashment Fund (net of provision)	7.60	(1.35)
Advance Tax	3,593.39	3,384.11
Sundry Deposits	157.22	159.89
Other Receivable – VAT input credit	-	1.27
TOTAL	<u>11,606.17</u>	<u>29,588.07</u>
SCHEDULE 13 :		
Current Liabilities		
Sundry Creditors	28,209.14	4,734.65
Trade deposits from agents	19.85	21.54
Advance received against Subscriptions	21.02	24.23
Sundry Creditors for Expenses	640.69	108.61
Liabilities for Expenses	218.35	159.67
Unclaimed Dividend	12.30	7.99
Other Liabilities	2,467.33	6,970.43
TOTAL	<u>31,588.68</u>	<u>12,027.12</u>

**SCHEDULES ANNEXED TO AND FORMING A PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

Particulars	As at 31 st March, 2011 ₹ in lacs	As at 31 st March, 2010 ₹ in lacs
SCHEDULE 14 :		
Provisions		
Proposed Equity Dividend	1,261.98	922.44
Provision for Tax	3,118.70	3,103.70
Provision for Gratuity (net of funds with LIC)	32.68	5.78
Provision for Fringe Benefit Tax [net of taxes paid ₹ 126.45 lacs (P.Y. ₹ 126.45 lacs)]	212.77	86.33
Provision for Corporate Dividend Tax	—	152.46
TOTAL	4,626.14	4,270.71
SCHEDULE 15 :		
Miscellaneous Expenditure (to the extent not written off)		
Preliminary Expenses	1.55	4.99
Less : Written Off	0.29	—
	1.26	4.99
Pre-operative expenses	0.03	—
Add : Additions during the year	17.25	—
	17.28	—
Less : Written off	4.32	—
	12.96	—
Share Issue Expenses	10.61	17.56
Add : During the Year	0.01	0.98
Less : Written off	4.46	7.96
	6.16	10.58
Deferred Revenue Expenditure	—	52.20
Less : Written off	—	52.20
	—	—
Merger Expenses	2.90	6.22
Less : Written off	1.16	3.32
	1.74	2.90
Bond Issue Expenses	780.10	1,059.15
Add : During the Year	—	—
Less : Written off	279.05	279.05
	501.05	780.10
Balance carried to Balance Sheet	523.16	798.57

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended 31 st March, 2011 ₹ in lacs	Year Ended 31 st March, 2010 ₹ in lacs
SCHEDULE 16 :		
Income from Operations :		
Consultancy & Service Income	791.91	15,137.23
Product & Services Income	86,512.04	48,598.92
TOTAL	87,303.95	63,736.15
SCHEDULE 17 :		
Other Income :		
Interest Income		
Bank Deposits [TDS ₹ 3.82 lacs (P.Y. ₹ 49.91 lacs)]	113.46	146.88
Inter Corporate Deposit [TDS ₹ 55.97 lacs (P.Y. ₹ 254.39 lacs)]	1,664.13	555.32
Dividend Income on units of mutual funds and shares	48.59	41.42
Profit on sale of Current Investments	74.04	114.79
(Loss)/Income from PMS Investments	67.82	-
Sundry Receipts	16.31	77.21
Balances written back	2.27	1.82
Bad debts recovered	-	0.24
Foreign Exchange Gain/(Loss) (net)	(541.14)	307.26
TOTAL	1,445.48	1,244.94
SCHEDULE 18 :		
Operational Expenses :		
Software Development Expenses	30,771.06	19,375.03
Cost of manufacture – Hardware	1,073.87	163.06
Server Hosting Charges	125.30	113.39
Communication & Telephone Expenses	94.59	109.17
Electricity Charges	97.76	72.22
SMS purchased	5.28	-
Legal & Professional Fees	79.80	44.67
Call Minutes Purchased	54.78	29.39
Consumable spares	11.93	-
Direct expenses	-	145.19
TOTAL	32,314.37	20,052.12
SCHEDULE 19 :		
Consumption of Paper		
Newsprint – Imported & Indigenous:		
Opening stock	7.65	2.18
Add purchases	62.17	59.62
Closing stock	4.42	7.65
Newsprint Consumption	65.40	54.14
Cover paper – Indian Art Paper		
Opening stock	2.83	1.76
Add purchases	10.72	12.42
Closing stock	0.97	2.83
Cover paper consumption	12.58	11.36
Multimedia Expenses		
Add: Purchases	37.41	-
Less: Closing stock-WIP	37.41	-
Multimedia consumption	-	-
Total Consumption	77.98	-
Editorial expenses & Design Exps	26.15	-
Printing, positives and plate charges	143.52	-
Other Direct Expenses	2.25	-
TOTAL	249.90	65.50

SCHEDULES ANNEXED TO AND FORMING A PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Year Ended 31 st March, 2011 ₹ in lacs	Year Ended 31 st March, 2010 ₹ in lacs
SCHEDULE 20 :		
Employee Costs :		
Salary, Wages, Bonus and Allowances and Reimbursements	2,878.85	2,427.20
Contribution to Provident and Other Funds	128.38	108.22
Staff Welfare Expenses	128.79	85.14
TOTAL	3,136.02	2,620.56
SCHEDULE 21 :		
Other Administrative Expenses :		
Rent/Hire Charges	174.32	132.95
Insurance Charges	27.32	17.68
Repairs & Maintenance – Others	137.88	68.70
Advertisement and Publicity Expenses	5,305.20	4,200.00
Travelling & Conveyance	395.80	169.13
Printing & Stationery	30.41	24.20
Legal and Professional Fees	442.67	301.59
Director's Sitting Fees	4.49	1.90
Director's Remuneration	81.22	86.80
Auditors Remuneration	38.50	27.00
Loss on Forward Contracts	1,448.52	2,940.40
Loss on Sale of tangible Fixed Assets	4.92	1.72
Loss on Sale of investments	737.03	–
Balances written off/written back	291.85	30.79
Investments written off/Diminution in value of investments	216.14	–
Bad Debts written off	45.25	15.66
Freight outwards	22.77	17.54
Other selling expenses	9.13	18.23
Other Office Expenses	969.67	269.56
TOTAL	10,383.09	8,323.85
SCHEDULE 22 :		
Financial Expenses :		
Interest Charges	3,724.01	3,779.71
Other Finance Costs	1,042.38	271.63
TOTAL	4,766.39	4,051.34

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 ₹ 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 ₹ 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

NOTES ON ACCOUNTS

probable that the economic benefits will flow to the Company and no significant uncertainty exists as to its ultimate realization or collection.

➤ **Product Sales**

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

➤ **Services**

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

➤ **Interest**

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

➤ **Dividend Income**

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

➤ **Other Income**

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

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

- Sales are recognised on transfer of significant risks and rewards in connection with the ownership at the time of dispatch of goods, sales are recorded net of trade discounts and rebates.
- The actual returns of unsold copies are reduced from the sales.
- Subscription sales are recognised on proportionate basis over the period of subscription.
- Revenue from syndication is recognised when the work is performed.
- Advertisement sales are recognised in the month in which publication is printed. Revenues are accounted net of commission/discounts to the advertising agencies.

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

i. Fixed Assets

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

ii. Intangible Assets

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

iii. Capital Work In Progress

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

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.

iv. Leasehold improvements:

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

e. Depreciation:

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

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

Geodesic Limited (standalone)

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

NOTES ON ACCOUNTS

Chandamama India Limited

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

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 ever 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. Stock in transit is valued at cost.

g. Impairment of Assets:

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

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

h. Investments:

Investments that are intended to be held for a period of not more than a year at the time of

purchase are classified as a Current Investment. All other investments are classified as Long Term Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However the provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

i. Leases:

- Finance lease payments are apportioned between the finance lease charges and the reduction of the outstanding lease liability. The finance lease charges are recognised in the Profit and Loss Account.
- Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

j. Foreign Currency Transactions:

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

➤ Initial Recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

➤ Conversion

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

➤ Exchange Difference

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are 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

NOTES ON ACCOUNTS

exchange contract is recognised as income or as expense for the year.

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

k. Retirement Benefits:

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

l. Income Taxes:

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

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to the future economic benefits in the form of adjustment of future income tax liabilities, is considered as an asset if there is convincing evidence that the Company will pay normal 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 in F.Y. 2009-10 at their unit in Roorkee in, Uttaranchal, which is located in a tax free zone eligible for tax holiday under section 80(l)C of the Indian Income tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised in the books.

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

m. Earnings per share:

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders (after deducting preference dividend and attributable taxes) by the weighted number of Equity Shares outstanding during the period. The weighted number of Equity Shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

n. Miscellaneous Expenditure:

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

o. Segment Reporting:

- Primary Business Segment
The Company is primarily engaged in a single business segment of software product sale and related consultancy services, and accordingly, there is only one reportable segment.
- Geographical Segment
Secondary segmental reporting is based on the geographical location of customers. The geographical segment has been disclosed on the revenues within India and revenues outside India.

NOTES ON ACCOUNTS

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:

AS 16 requires the Company to provide for borrowing costs which may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The Company conservatively provides for interest on the FCCB at the notional interest rate as specified in the Term Sheet. The notional interest charge for the 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.

r. Provision and Contingent Liabilities:

Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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	
		2011	2010
Geodesic Gridpoint Energy Private Limited	India	100.00	100.00
ITM Digital Private Limited	India	–	100.00
Filmorbit.Com India Private Limited	India	87.95	–
Geodesic Technology Solutions Ltd.	Hong Kong	100.00	100.00
Geodesic Holdings Limited	Mauritius	100.00	100.00
Chandamama India Limited	India	96.92	96.92

Name of the subsidiaries (held indirectly)	Country of Incorporation	Percentage of voting power as at March 31	
		2011	2010
Geodesic Information Systems Inc.	USA	100.00	100.00
Geodesic (Hong Kong) Ltd.	Hong Kong	100.00	100.00
Geodesic Technology FZE	UAE	100.00	100.00
Interactive Networks International Inc	BVI	100.00	100.00
Publicidad Digital S.A.	Uruguay	100.00	100.00
Emiloto Associated Inc	Panama	100.00	100.00
Zomo Technologies Limited	BVI	100.00	–
Spokn Communications Pte Ltd.	Singapore	100.00	–

b. Goodwill on Consolidation:

Goodwill on consolidation comprises of the following:

₹ in lakhs

Name of the Subsidiary	2010-11	2009-10
Chandamama India Limited	1,173.47	1,173.47
Filmorbit.Com India Private Limited	24.73	–
TOTAL	1,198.20	1,173.47

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

₹ in lakhs

Region	2010-11	2009-10
India	2,518.26	1,110.68
Outside India	84,785.69	62,625.47

Segment Assets

₹ in lakhs

Region	2010-11	2009-10
India (Assets excluding Export Customers)	1,71,002.16	1,46,003.69
Outside India (Export Customers)	41,730.49	20,990.92

NOTES ON ACCOUNTS

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):

₹ in lakhs

Sr. No.	Particulars	2010-11	2009-10
1.	Outstanding bank guarantees	32.62	36.30
2.	Letter of Credit given by bank on behalf of the Company	759.49	–
3.	Income tax demand in respect of an earlier year(s) under dispute		
	i. Appeal pending with CIT Appeals VIII for AY 2005-06	6.93	6.93
	ii. Appeal pending with CIT Appeals XXX for AY 2006-07	–	0.53
	iii. Appeal pending with CIT Appeals XXX for AY 2007-08	–	4.14
	iv. Appeal pending with CIT Appeals XXX for AY 2008-09	–	7.26
	v. Appeal pending with CIT Appeals XXX for AY 2009-10	–	0.08
	Total	799.04	54.89

e. Share Capital:

Employees have exercised 2,550 (P.Y. 28,825) stock options during the year, which has resulted in an increase in Equity Share Capital by ₹ 0.05 lakhs (P.Y ₹ 0.58 lakhs) and Security Premium Account by ₹ 2.13 lakhs (P.Y. ₹ 24.04 lakhs).

The Board of Directors, in its meeting held on 7th May, 2010 announced a buy back of Equity Shares for upto 10% of the shares. On 26th November, 2010, the Board declared the completion of buy back process. The Company bought back 21,05,000/- Equity Shares aggregating to ₹ 20,70,77,740/- (₹ Twenty Crores Seventy Lakh Seventy Seven Thousand Seven Hundred Forty Only) which was within the limits specified. The company bought back 2.28% of its pre buyback equity in the entire process. As a result of the buy back Equity Share Capital account reduced by ₹ 42.10 lakhs and the Securities Premium Account by ₹ 2,035.81 lakhs.

f. Foreign Currency Convertible Bonds (FCCB):

In January 2008, 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 ending March 2010, the Company has repurchased FCCB of the face value of US\$ 8.50 Million, listed on the Singapore Stock Exchange, in accordance with the A.P. (DIR Series) Circular No. 39 dated 8th December, 2008 (the "Circular") issued by the Reserve Bank of India. As on 31st March, 2011 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.

During the current year the Company has not repurchased FCCB's, therefore profit/loss on buy back is ₹ Nil (P.Y. ₹ 676.36 lakhs) and has also written back the provision for interest accrued but not due on the buy back of Bonds during the current year amounting to ₹ Nil (P.Y. ₹ 121.61 lakhs).

The Bonds carry an yield of 6.60% per annum based on the same, interest of ₹ 3,389.27 lakhs (P.Y. ₹ 3,677.44 lakhs) has been provided in the accounts (refer Schedule 22 of the Balance Sheet).

g. Related Party Disclosures:

(i) List of Related Parties

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

a. Key Managerial Personnel:

Mr. Pankaj Kumar, Mr. Kiran Kulkarni, Mr. Prashant Mulekar and Mr. Tim Bruce.

NOTES ON ACCOUNTS

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

None

(ii) Transactions with related parties:

Nature of Transaction	Key Management Personnel (₹ in Lakhs)	
	2010-11	2009-10
Managerial Remuneration		
– Pankaj Kumar	18.00	18.00
– Kiran Kulkarni	18.00	18.00
– Prashant Mulekar	18.00	18.00
– Tim Bruce	81.22	86.80

h. Balances with Banks:

(A) Parent Company

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

(₹ in lakhs)

Name of the Bank	2010-11 Current A/c	2009-10 Current A/c
Barclays Commercial Bank – UK	3.92	3.96
HSBC Pvt Bank (Jersey) Ltd.	1,126.50	1,138.86
UBS AG, Singapore	7.38	8.23
ICICI Bank Ltd, UK Branch	0.08	0.08
Total	1,137.90	1,151.13

(ii) Balance with Scheduled Banks:

(a) In Current Account ₹ in lakhs

Name of the Bank	2010-11	2009-10
ABN-Amro Bank	0.10	0.10
AXIS Bank Ltd.	6,719.26	91.57
AXIS Bank Ltd, Bangalore	0.92	0.57
Axis Bank Ltd, Roorkee	0.91	5.50
Bank Of India	0.94	0.94
Barclays Bank Plc	50.95	0.00
Citi Bank, N.A.	12.43	1.82
Corporation Bank Ltd.	0.80	0.80
Deutsche Bank Ltd.	8.15	19.56
Development Bank of Singapore	34.65	6.27
HDFC Bank Ltd.	21.94	15.60
HDFC Bank Ltd, Bangalore	0.13	0.17
HDFC Bank Ltd, Roorkee	291.98	14.29
HSBC Bank Ltd.	2.01	2.65
ICICI Bank Ltd.	48.44	80.42
ICICI Bank Ltd, Bangalore	0.80	41.18
Oriental Bank of Commerce	0.00	0.13
Reliance Capital Asset Mgmt Ltd.	0.00	0.03
Standard Chartered Bank	0.27	11,285.34
Union Bank of India	1.11	1.77
YES Bank Ltd.	0.43	0.43
Total	7,196.20	11,569.14

(b) Short Term Fixed Deposit Accounts

(₹ in lakhs)

Name of the Bank	2010-11	2009-10
AXIS Bank Limited	8,828.13	3,525.98
Deutsche Bank Limited	–	3,000.00
Union Bank Of India Limited	0.63	8.95
Barclays Bank PLC	84.75	–
HDFC Bank Limited	2.72	2.68
Total	8,916.23	6,537.61

(B) Chandamama India Limited:

(a) Balances with Scheduled Banks

₹ in Lakhs

Sr. No.	Name of the Bank	2010-11	2009-10
1.	Axis Bank Ltd.	3.57	0.25
2.	Axis Bank Ltd.	0.17	0.18
3.	ICICI Bank Ltd.	0.19	0.66
4.	State Bank of India	0.30	–
5.	Deutsche Bank Ltd.	0.15	0.20
	Total	4.38	1.29

(b) Balance in Fixed Deposit with Scheduled Bank ₹ 0.37 (PY Nil).

(C) Balance with Scheduled Banks of other Indian subsidiaries ₹ 2.81 lakhs (P.Y. ₹ 2.00 lakhs).

(D) Balance of foreign subsidiaries with non-scheduled Banks in Foreign Currency in current accounts is ₹ 21,264.16 lakhs (P.Y. ₹ 9,749.05 lakhs) and in deposit accounts is ₹ 89,737.66 lakhs (P.Y. ₹ 27,919.59 lakhs).

i. 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, 2011	As at 31st March, 2010
1	Employment and Retirement Benefits		
(a)	Post employment Benefits		
	Defined contribution plans		
	Company's contribution to Provident Fund	149.77	129.43
(b)	Defined benefit scheme		
	Obligation at period beginning	84.84	73.42
	Service Cost	29.65	21.48
	Interest Cost	6.87	6.67

NOTES ON ACCOUNTS

	Particulars	As at 31st March, 2011	As at 31st March, 2010
	Actuarial (gain)/loss	17.38	6.67
	Benefits Paid	(15.24)	(10.08)
	Amendment in benefit plans	–	–
	Obligation at period end	123.51	98.16
	Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
	Change in plan assets		
	Plan assets at period beginning, at fair value	79.06	62.04
	Expected return on plan assets	7.18	6.24
	Actuarial gain/(loss)	0.00	(0.56)
	Contributions	18.55	20.74
	Benefits Paid	(13.95)	(9.41)
	Plan assets at period end, at fair value	90.84	79.06
	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	90.84	80.52
	Present value of the defined benefit obligations at the end of the period	119.49	79.06
	(Asset)/Liability recognized in the balance sheet	28.65	1.45
	Assumptions		
	Interest Rate	8.25%	8%
	Estimated rate of return on plan assets	9.15%	8%
(c)	Gratuity cost for the period		
	Service Cost	29.65	21.48
	Interest Cost	6.87	6.67
	Expected return on plan assets	(7.18)	(6.24)
	Actuarial (gain)/loss	17.38	(6.11)
	Amortizations (Reduction in benefit)	–	–
	Net gratuity cost	46.73	15.81
	Interest Rate	8.25%	8%
	Estimated rate of return on plan assets	9.15%	8%
	Salary Growth		

	Particulars	As at 31st March, 2011	As at 31st March, 2010
(d)	Defined benefit scheme		
	Leave Encashment		
	Obligation at period beginning	46.32	36.86
	Service Cost	6.27	14.20
	Interest Cost	3.71	3.75
	Actuarial (gain)/loss	5.07	(3.21)
	Benefits Paid	(13.70)	(5.28)
	Amendment in benefit plans	–	–
	Obligation at period end	47.68	46.32
	Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
	Change in plan assets		
	Plan assets at period beginning, at fair value	50.18	35.51
	Expected return on plan assets	4.35	3.96
	Actuarial gain/(loss)	0.00	(0.60)
	Contributions	17.23	16.59
	Benefits Paid	(13.70)	9.41
	Plan assets at period end, at fair value	58.07	79.06
	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	58.07	46.32
	Present value of the defined benefit obligations at the end of the period	47.68	50.18
	(Asset)/Liability recognized in the balance sheet	(10.39)	(3.86)
	Assumptions		
	Interest Rate	8.25%	8.00
	Estimated rate of return on plan assets	9.15%	8.00
(e)	Particulars		
	Leave Encashment Cost for the period		
	Service Cost	6.27	14.20
	Interest Cost	3.71	3.75
	Expected return on plan assets	(4.35)	(3.96)
	Actuarial (gain)/loss	5.07	(2.62)
	Amortizations (Reduction in benefit)	–	–
	Net leave encashment cost	10.70	11.38
	Interest Rate	8.25%	8%
	Estimated rate of return on plan assets	9.15%	8%
	Salary Growth		

NOTES ON ACCOUNTS

j. Prior Period Adjustments represent:

₹ in lakhs

Particulars	2010-11	2009-10
Gratuity	–	(0.09)
Service tax	–	0.60
Provision for final dividend reversed on account of buy back of buyback of shares	(13.20)	–
Sales Returns	–	63.22
Other Miscellaneous expenses	8.70	2.62
Total	4.48	66.35

k. Auditors Remuneration:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Audit fees	34.64	21.47
Tax audit	3.81	2.00
Other Matters	0.05	3.53
Total	38.50	27.00

l. Earnings in Foreign Currency:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Product and service income	64,942.80	47,939.82

m. Expenditure in Foreign Currency:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Travelling Expenses	3.01	2.06
Import of Hardware/Software (Capitalised)	91.77	33.26
Import of Hardware/Software	700.22	–
Professional Fees	0.59	25.95
Others	86.09	82.61
Total	881.68	143.88

n. Payments to Directors:

(₹ in Lakhs)

Particulars	2010-11	2009-10
Directors' remuneration, Salaries and other allowances	135.22	140.80

o. Un-hedged Foreign Currency Exposure:

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

Amount receivable as at March 31, 2011 in foreign currency on account of the following:

(₹ in Lakhs)

Particulars	2010-11		2009-10	
	₹ in lakhs	Value in foreign currency	₹ in lakhs	Value in foreign currency
Product and Service Income	6,179.93	USD 13,840,820	5,708.80	USD 12,646,885

p. Disclosure for operating leases:

a) Non-cancellable lease:

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

The aggregate lease rentals are charged as Rent under Schedule 21.

Non Cancellable Lease:

₹ in lakhs

Particulars	2010-11	2009-10
Not later than one year	212.23	14.40
Later than one year but not later than 5 years	962.14	233.65
Later than 5 years but not later than 15 years	896.14	130.02

b) Cancellable lease:

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

The aggregate lease rentals are charged as Rent under Schedule 21.

₹ in lakhs

Particulars	2010-11	2009-10
Not later than one year	175.22	100.36
Later than one year but not later than 5 years	64.38	72.01
Later than 5 years but not later than 15 years	–	86.40

q. 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.

r. The production of software is not capable of being expressed in any generic unit. However, the Group manufactures/deals in a hardware product and in the print media. The quantitative information as

NOTES ON ACCOUNTS

required by certain clauses of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 are attached separately. Also, as the activities of the Company do not require industrial licensing, the figures for licensed capacity are not given.

s. 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: 29th August, 2011

For and on behalf of the Board of Directors of

Pankaj Kumar
Chairman

Kiran Kulkarni
Managing Director

Swati Gupta
Company Secretary

SCHEDULES TO CONSOLIDATED ACCOUNT
STATEMENTS MENTIONED IN NOTE r OF SCHEDULE 23 OF THE ACCOUNTS
(A) Geodesic Limited
Details of Turnover and Stocks in respect of Finished Goods for FY 2010-11

(Value in ₹ lakhs)

Class of Goods	Units	Op. Stk Qty	Value ₹	Production Qty	Value ₹	Transfers (Out) / In	Value ₹	Sales Qty	Value ₹	Cl. Stock Qty	Value ₹
Geoamida Roorkee	Numbers	103	21.05	8133	1,410.54	(100)	(8.65)	8136	1,421.62	100	9.97
Geoamida – Bangalore	Numbers	–	–	–	–	100.00	8.65	–	–	100	8.65

Quantitative details of Finished Goods

Class of Goods	2010-11	
	Nos	% age
Opening Stock	103	–
Production	8133	–
	8236	100.00
Sale During the Year		
Domestic Sales	8131	98.73
Export Sales	5	0.06
	8136	
Balance Units	100	1.21

Raw Material Consumed for FY 2010-11

Class of Goods	Units	Op. Stk Qty	Value ₹	Purchase Qty	Value ₹	Consumption Qty	Value ₹	Cl. Stock Qty	Value ₹
GeoAmida	Numbers	320	362.13	13958319	1,403.40	3810606	1,002.12	10148033	763.42

Consumption of Imported and Indigenous Raw Materials

Particulars	2010-11	
	₹ in Lakhs	% age
Imported	644.32	60
Indigenous	429.55	40
Total	1,073.87	100

(B) Chandamama India Limited
1. DETAILS OF TURNOVER AND STOCKS IN RESPECT OF FINISHED GOODS :

Class of Goods	Unit of Measurement	Opening Stock Quantity	Value ₹	Copies Printed	Value ₹	Turnover Quantity	Value ₹	Scrap Sold Quantity	Value ₹	Closing Stock Quantity	Value ₹
Magazines – Printed											
2010-11	Numbers	508,946	203,578	2,381,825	24,990,524	1,769,782	18,568,862	720,809	65,920	400,180	160,072
2009-10		427,669	171,068	2,496,310	31,132,502	1,470,869	18,343,808	944,164	384,296	508,946	203,578
Books & Comics - Printed											
2010-11	Numbers	19,392	1,576,499	72,075	3,418,275	31,748	2,580,998	284	–	59,435	4,249,894
2009-10		14,963	1,285,266	–	–	(4,429)	(380,435)	–	–	19,392	1,576,499

SCHEDULES TO CONSOLIDATED ACCOUNT

Details of the Finished Goods – Magazines

Class of Goods	2010-11		2009-10	
	Number of Copies	Percentage	Number of Copies	Percentage
Opening Stock	508,946	100.00%	427,669	100.00%
Total copies available for sale	2,381,825	100.00%	2,496,310	100.00%
Copies sold during the year				
– Through Agents	1,516,179	52.45%	1,197,217	40.94%
– Through subscriptions (Domestic & Overseas)	230,451	7.97%	273,652	9.36%
– Through Cash Sales	5,956	0.21%	–	0.00%
– Complimentary Copies	17,196	0.59%	–	0.00%
Less : Scrap Sales	720,809	24.93%	944,164	32.29%
Balance Copies	400,180	13.84%	508,946	17.41%

Details of the Finished Goods – Books & Comics

Class of Goods	2010-11		2009-10	
	Number of Copies	Percentage	Number of Copies	Percentage
Total copies available for sale (including returns)	19,392	100.00%	14,963	100.00%
Total copies available for sale	72,075	100.00%	–	0.00%
Copies sold during the year				
– Through Agents *	30,603	33.46%	(5,295)	-35.39%
– Through subscriptions (Domestic & Overseas)	1,036	33.46%	866	5.79%
– Complimentary Copies	109	0.12%	–	0.00%
Less : Scrap Sales	284	0.31%	–	0.00%
Balance Copies	59,435	64.98%	19,392	129.60%

* Quantity returned is more than sales.

NOTES :

- i. Figures in brackets are in respect of previous year.
- ii. Licenced Capacity is not applicable as the manufacturing unit of the Company is a Small Scale Unit.
- iii. The magazines are sold in Numbers and hence, its quantity information is available in Numbers.

NOTES ON ACCOUNTS

2. Raw Materials Consumed

Class of Goods	Unit of Measurement	Opening Stock Quantity	Value ₹	Purchases	Value ₹	Consumption Including wastage	Value ₹	Closing Stock Quantity	Value ₹
Indigenous									
– Indian Printing Paper									
2010-11	MT	20.24	765,479	155.39	6,217,258	163.13	6,541,012	12.50	441,725
2009-10	MT	5.12	217,935	166.19	5,961,798	151.07	5,414,253	20.24	765,479
		20.24	765,479	155.39	11,789,947	163.13	11,586,579	12.50	441,725
		5.12	217,935	166.19	5,858,117	151.07	5,896,551	20.24	765,479
– Indian Art Paper									
2010-11	MT	5.44	282,655	17.65	1,072,472	21.49	1,257,906	1.60	97,221
2009-10	MT	3.35	175,814	22.79	1,242,499	20.70	1,135,658	5.44	282,655
		5.44	282,655	17.65	2,036,737	21.49	1,919,577	1.60	97,221
		3.35	175,814	22.79	1,624,502	20.70	1,624,502	5.44	282,655
Indigenous									
2010-11	MT	25.68	1,048,134	173.04	7,289,730	184.62	7,798,918	14.10	538,946
2009-10	MT	8.47	393,749	188.98	7,204,297	171.77	6,549,911	25.68	1,048,134
Current Year 10-11 Total	MT	25.68	1,048,134	173.04	7,289,730	184.62	7,798,918	14.10	538,946
Current Year 09-10 Total	MT	8.47	393,749	188.98	7,204,297	171.77	6,549,911	25.68	1,048,134

Quantity of the Imported and Indigenous consumption

	2010-11		2009-10	
	Quantity	Percentage	Quantity	tage
Paper				
– Imported	–	0.00%	–	0.00%
– Indigenous	184.62	100.00%	171.77	100.00%
	184.62	100.00%	171.77	100.00%

C. Stock Work-in-progress

Particulars-Details	2010-11	2009-10
Multimedia Expenses		
Audio Tape Expenses	120,051.00	–
Content Creation & Animation Production	3,620,655.00	–
Total	3,740,706.00	–

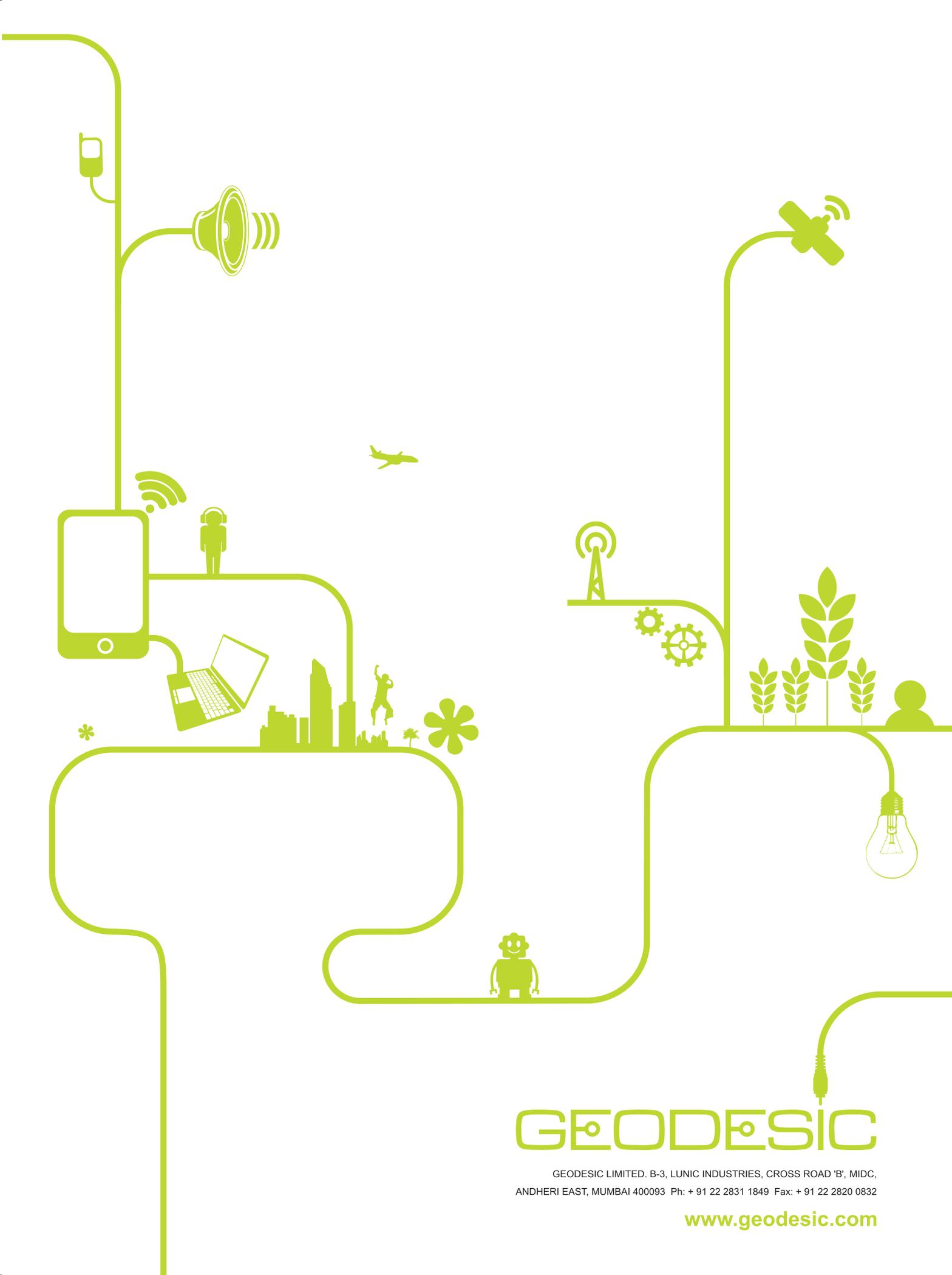
PAST YEAR PERFORMANCE

PAST YEAR REVIEW

(₹ in lacs)

	except per share data, other information and ratios						
	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
OPERATING RESULTS							
Total Income	67,303.30	50,323.43	49,916.24	26,932.76	17,282.89	9,591.20	4,101.10
Exports turnover	64,942.80	47,932.10	48,524.09	24,541.34	15,437.03	7,664.68	3,044.40
Domestic turnover	2,200.28	794.10	855.20	1,004.22	1,071.66	1,926.52	1,056.70
Operating Profit (PBIT)	27,511.21	20,314.02	23,549.29	13,345.41	9,495.10	4,511.26	2,002.60
Profit after Tax	23,462.69	17,488.28	19,141.05	11,040.42	9,433.94	4,167.50	1,908.50
Dividend	2,478.89	1,614.27	1,475.66	556.52	236.66	233.30	153.10
FINANCIAL POSITION							
Paid up Equity Capital	1,802.83	1,844.88	1,844.30	1,843.06	1,183.31	1,171.80	1,024.88
Reserves	95,129.27	75,191.22	59,563.26	42,093.25	28,897.15	18,963.30	4,474.90
Equity Shareholders' Funds	96,932.10	77,036.10	61,407.56	43,936.31	29,908.37	19,909.00	5,490.32
Market Capitalisation (as on 31st March)	70,355.32	103,266.93	57,864.90	166,013.52	138,180.46	129,191.28	63,224.85
PERFORMANCE INDICATORS							
Earning Per Share (Rs.)	25.77	18.96	20.76	12.09	16.03	7.50	3.80*
Dividend Per Share (Rs.)	2.75	1.75	0.80	0.60	0.40	0.40	0.30
Book Value per Equity Share (Rs.)	107.53	83.51	65.36	46.07	50.55	33.98	10.71
Exports to Net Sales (%)	96%	95%	97%	91%	89%	80%	74%
Net Profit Margin (%)	35%	35%	38%	41%	55%	43%	47%
Operating Profit Margin (%)	41%	40%	47%	50%	55%	47%	49%
Return on Networth	24%	23%	32%	26%	31%	21%	33%
Return on capital employed (PBIT/ Capital employed)	17%	15%	19%	14%	29%	22%	34%

NOTES



GEODESIC

GEODESIC LIMITED. B-3, LUNIC INDUSTRIES, CROSS ROAD 'B', MIDC,
ANDHERI EAST, MUMBAI 400093 Ph: + 91 22 2831 1849 Fax: + 91 22 2820 0832

www.geodesic.com

GEODESIC LIMITED

Registered Office:

B-3 Lunic Industries, Opp. State Bank of India, Cross Road B, MIDC, Andheri (E), Mumbai - 400 093

DP. ID*	
Client ID*	

Folio No.	
No. of shares	

I / We hereby record my/our presence at the **ELEVENTH ANNUAL GENERAL MEETING** (post demerger) of the Company held on **Friday, 30th September, 2011 at 4:00 P.M. at Hotel Tunga International Pvt. Ltd., Banquet 1, 6th floor, B/11 MIDC Central Road, Andheri (East), Mumbai - 400 093.**

Full Name of the Shareholder in Block Letters: _____

Name of proxy (if any) in block letters: _____

Signature of the Attending Member/ Proxy

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.



GEODESIC LIMITED

Registered Office:

B-3 Lunic Industries, Opp. State Bank of India, Cross Road B, MIDC, Andheri (E), Mumbai - 400 093

DP. ID*	
Client ID*	

Folio No.	
No. of shares	

I/We _____ of _____ in the district of _____ being member/members of **GEODESIC LIMITED** hereby appoint(s) _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the **ELEVENTH ANNUAL GENERAL MEETING** (post demerger) of the Company to be held on **Friday, 30th September, 2011 at 4:00 P.M. at Hotel Tunga International Pvt. Ltd., Banquet 1, 6th floor, B/11 MIDC Central Road, Andheri (East), Mumbai - 400 093.**

Signed this _____ day of _____ 2011

Signature

Affix
Re.1
Revenue
Stamp

Note: In order to be effective the Proxy form duly completed must be deposited at the **Registered Office** of the Company not less than 48 hours before the time of holding the meeting.

*** Applicable for shares held in dematerialised form.**

NOTICE

Notice is hereby given that the eleventh Annual General Meeting (post demerger) of the Members of **GEODESIC LIMITED** will be held at Hotel Tunga International Pvt. Ltd., Banquet 1, 6th floor, B/11 MIDC Central Road, Andheri (East), Mumbai – 400 093 on Friday, 30th September, 2011 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

Item no. 1 – Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011 and the Reports of the Directors and Auditors thereon, along with relevant enclosures.

Item no. 2 – Declaration of Dividend

To confirm the payment of Interim Dividend and to declare Final Dividend on Equity Shares @ ₹ 1.40/- per share.

Item no. 3 – Re-appointment of Mr. Prashant Mulekar

To appoint a Director in place of Mr. Prashant Mulekar, who retires from office by rotation and being eligible, offers himself for re-appointment.

Item no. 4 – Appointment of Statutory Auditors

To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED THAT the Company's Auditors, M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai (Regn no. 101569w), who retire, but being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration fixed by the Board of Directors of the Company."

Special Business:

Item no. 5 - To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

Renewal of Appointment of Mr. Prashant Mulekar as Executive Director of the Company

"RESOLVED THAT subject sections 198, 259, 309 read with Schedule XIII of the Companies Act, 1956, and relevant provisions of other applicable laws, the approval of the shareholders be and is hereby accorded to re-appoint Mr. Prashant Mulekar as Executive Director of the Company for a further period of five years from 10th April, 2011 to 09th April, 2016 with no change in the remuneration and terms and conditions as contained in the Original Agreement."

Item no. 6 - To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

Renewal of Appointment of Mr. Kiran Kulkarni as Managing Director of the Company

"RESOLVED THAT subject sections 198, 259, 309 read with Schedule XIII of the Companies Act, 1956, and relevant provisions of other applicable laws, the approval of the shareholders be and is hereby accorded to re-appoint Mr. Kiran Kulkarni as Managing Director of the Company for a further period of five years from 12th July, 2011 to 11th July, 2016 with no change in the remuneration and terms and conditions as contained in the Original Agreement"

Item no. 7 - To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

Renewal of Appointment of Mr. Pankaj Kumar as Chairman of the Company

"RESOLVED THAT subject sections 198, 259, 309 read with Schedule XIII of the Companies Act, 1956, and relevant provisions of other applicable laws, the approval of the shareholders be and is hereby accorded to re-appoint Mr. Pankaj Kumar as Chairman of the Company for a further period of five years from 12th July, 2011 to 11th July, 2016 with no change in the remuneration and terms and conditions as contained in the Original Agreement"

By order of the Board of Directors



C.S. Swati Gupta
Company Secretary

Place : Mumbai
Date : 29th August, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 5, 6 & 7 of the Notice as set out above, are annexed hereto.

3. Members attending the Meeting should bring duly-filled Attendance Slips sent herewith and the corporate members are requested to also send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. Members who hold shares in electronic form are requested to bring their Client ID and DP ID or Folio numbers for easy identification and attendance at the meeting. Members are further requested to quote their Folio/Client ID & DP ID nos. in all correspondences.

4. The Register of Members and Share Transfer Book of the Company will remain closed from 27th September, 2011 to 30th September, 2011 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
5. The certificate from the Auditors of the Company in terms of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 for the Geodesic Employees Stock Option Plan 2002 will be available for inspection at the Annual General Meeting.
6. Members may please note that the Board of Directors had declared Interim Dividend @ ₹ 1.35 per equity share on 11th February, 2011 which was duly paid on 4th March, 2011. The unclaimed/unpaid dividend amount is now transferred to Unpaid Dividend Account of the Company.
7. Subject to the provisions of Section 206A of the Companies Act, 1956, Final Dividend as recommended by the Board of Directors, if declared at the Meeting, will be payable to those members whose names appear on the physical Register of Members as on 30th September, 2011 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of 26th September, 2011 as per the details furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
8. In case of Joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
9. Members willing to claim dividends, which remain unclaimed, are requested to correspond with CS Swati Gupta, Company Secretary, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the **Investor Education and Protection Fund (IEPF)** established by the Central Government pursuant to Section 205C of the Companies Act, 1956 and no claim shall lie against the Company and the said fund.
10. Members are requested to intimate the following information to the below mentioned authorities accordingly:
 - i. **Electronic Clearing Service (ECS):**
 - a. Members holding shares in **dematerialised mode** are requested to instruct their respective Depository Participants regarding the Bank Accounts in which they wish to receive the dividend and the same bank details as furnished by the respective Depositories to your Company will be used for the purpose of distribution of dividend through NECS as directed by the Stock Exchange. Your Company/Registrar and Share Transfer Agents will not act on any direct request from members holding shares in dematerialized form for change/deletion of such Bank details.
 - b. Members holding shares in physical form desirous of availing the facility of Electronic Credit of Dividend (ECS), may advise the Company with their ECS mandates in the prescribed form, which can be downloaded from the company's website or can be obtained from the Registrar and Transfer Agents, M/s. Universal Capital Securities Private Limited (formerly known as Mondkar Computers Private Limited).
 - c. Non-Resident Indian shareholders are requested to inform the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately about the particulars of the NRE Account with a Bank in India, if not furnished earlier.
 - ii. **Change of Address:**
 - a. Members are requested to notify immediately any change of address to their respective Depository Participants in case they hold shares in **dematerialized form**.
 - b. Members are requested to notify immediately any change of address to the Registrar and Share Transfer Agents of the Company if the shares are held in **physical form**.
 - c. **Non-Resident Indian Shareholders** are requested to inform the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately about the change in the Residential Status on return to India for permanent settlement.
 - iii. **Consolidation of holdings:**

Members holding shares in more than one folio in identical order of names are requested to write to Company's Registrar and Share Transfer Agents enclosing their Share Certificates to enable them to consolidate the holdings in one folio to facilitate better service.
11. Members desiring any information as regards the accounts, are requested to write to the Company Secretary at least 7 days prior to the date of the Meeting so that the information required may be made readily available at the Meeting.
12. The Members are requested to update their Email Ids with their DPs in order to get the Annual Reports and other correspondences from the Company via Email in accordance with the Green Initiative taken by the Ministry of Corporate Affairs in Corporate Governance.
13. Members are requested to send all communications relating to shares to the Company's Registrar & Share Transfer Agents at the following address:

M/s Universal Capital Securities Private Limited
(formerly known as Mondkar Computers Private Limited)
21 Shakil Niwas, Opp Satya Saibaba Temple,
Mahakali Caves Road,
Andheri (E), Mumbai - 400 093
Phone: +91-22-28221966 Fax: 28211996
Email: info@unisec.in

ANNEXURE TO NOTICE

Explanatory Statements as required under Section 173 (2) of the Companies Act, 1956.

Item No. 5, 6 & 7

The Terms of Employment of Mr. Prashant Mulekar, Executive Director of the Company expired on 9th April, 2011 and that of Mr. Pankaj Kumar, Chairman and Mr. Kiran Kulkarni, Managing Director on 12th July, 2011. The same were renewed further for a period of 5 years on the same terms and conditions as were laid in the original Employment Agreements by the Board of Directors in their meetings held on 7th April, 2011 and 11th July, 2011 subject to your approval.

Brief profiles of the Directors are given in the Annexure to the Notice.

Your Board recommends the acceptance of the Resolutions as set out in Item Nos. 5, 6 & 7 of the Notice of the Meeting

None of the Directors, other than the Directors retiring being proposed to be reappointed, are concerned or interested in the above respective Resolutions.

**By order of the
Board of Directors**



Place : Mumbai
Date : 29th August, 2011

C.S. Swati Gupta
Company Secretary

