



Geometric

Engineering | PLM | Technology



The 2008 Global Engineering Design Services
Emerging Company of the Year

Frost & Sullivan

Annual Report

2007-08

*Geometric has come a long way from small beginnings
over a decade and a half ago. Today, Geometric has evolved into ...*

A formidable partner whose work ethics and
professional integrity are unquestioned;

A company driven by a passion for excellence that
consistently delivers innovative
products and processes;

A solution provider, with a global world view,
that enables its customers achieve higher goals
in global product realization;

A company driven by technology whose inventions
are applauded as ahead of their time;

A team that has been recognized for comprising of
both, the best employers and the best employees;

And finally,

A continuous learning environment that affords each
individual an opportunity to grow as they enable the
company to realize its vision...

*To be the world's most innovative
provider of product realization
solutions.*

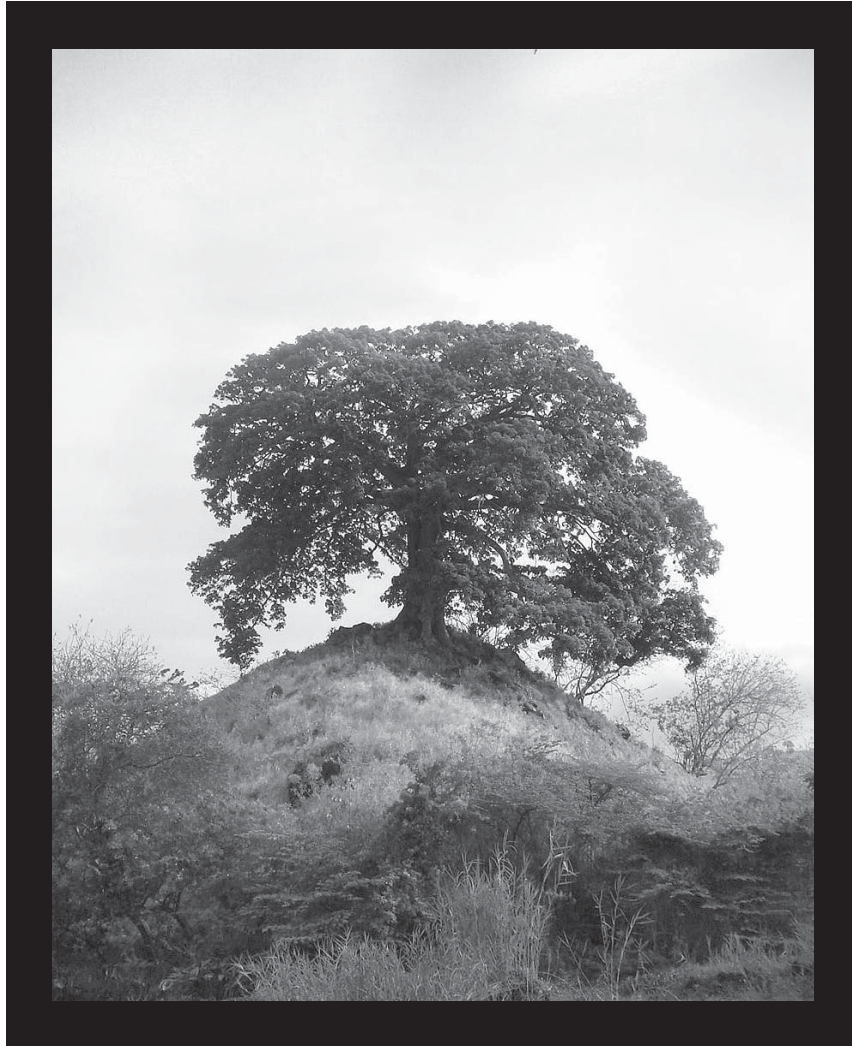
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Safe Harbour Provision

Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT Services including those factors which may affect our cost advantage, wage increases in India, our ability to manage our international marketing and sales operations, reduced demand for technology in our key focus areas, disruptions in telecommunications networks, liability for damages on our service contracts and product warranty, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.



Unyielding Integrity

Board of Directors



J. N. Godrej
CHAIRMAN



Manu Parpia
FOUNDER & VICE CHAIRMAN



Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO



Dr. Richard Riff

Auditors

Kalyaniwalla & Mistry
CHARTERED ACCOUNTANTS

Registrars & Share Transfer Agents

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup, Mumbai 400 078 India

Tel +91 22 2596 3838
Fax +91 22 2594 6969

Registered Office

Geometric Ltd.
Plant 6 Pirojshanagar, Vikhroli (W)
Mumbai 400 079 India

Tel +91 22 6705 6500
Fax +91 22 6705 6891



Dr. K. A. Palia



Anita Ramachandran



Renuka Ramnath



Milind Sarwate



Passion for Excellence

Note from the Managing Director & CEO



FY 2007-08 was a challenging but definitive year for your Company. Challenging, because the external environment unexpectedly and fundamentally altered during the year. The appreciation of the Rupee in the first quarter, and the onset of recessionary conditions in the US in the latter part of the year, led to a pronounced impact on both our top line and bottom line. Definitive, because despite these external challenges, our transformation process started to deliver measurable advantage. In the long run, this process will provide us with the foundation to handle similar uncertainties in our external environment with much greater resilience, to drive sustainable, profitable growth.

Your Company recorded consolidated sales of US Dollars 121.56 million, a growth of 43% over the previous year. In Indian Rupee terms, consolidated sales stood at Rupees 485.83 crore, a growth of 26.8% over the previous year. The difference in growth rates was primarily due to the appreciation of the Rupee vs. the US Dollar and the exposure of around 65% of our revenue to this exchange rate. Our consolidated profit after tax for the year was Rupees 32.13 crore, a decline of 14.2% over the previous year. The main contributory factors to this were the appreciation of the Rupee, and the full-year consolidation of Modern Engineering (subsequently renamed Geometric Engineering, Inc. during the year and now a part of Geometric Americas, Inc.) which made a loss during the year.

When we started FY 2008, we had defined some key focus areas for strengthening the fundamentals of the business, to equip ourselves not just for the short term, but for a long term with profitable growth. These are described below.

PROFITABILITY FOCUS

Through the year, the emphasis in our organic business was on driving profitable growth. This was brought about through the strengthening of our delivery processes, adopting productivity tools, implementation of stringent profitability criteria for new business, and exiting or renegotiating low profitability contracts. In terms of the turnaround of Geometric Engineering, our biggest challenge was the slowdown in the US engineering market and especially in the automotive sector where over 75% of our US engineering revenues are concentrated. This resulted in a much lower volume of projects than anticipated, and a consequent reduction in offshorable work content that could be achieved without compromising on delivery to existing customers. However, the business was restructured to facilitate better cost management, which resulted in its first EBITDA positive quarter in Q4 of FY 2008. There remains significant work to be done in returning the US engineering business to consistent profitability and these efforts will continue through FY 2009.

DIRECT SELLING

We made a conscious decision to sell our PLM solutions and services directly to end customers, moving away from the earlier partner-led model, and exited several low profitability contracts with non-strategic partners. The main driver for this was to improve our margins in the business, and to have greater control of our business pipeline. Our share of revenue from direct customers in PLM went up from around 35% to 45% over the fiscal and we added 16 new customers through this



Customer Focus

model. Our share of revenue from non-strategic partners came down from 20% to 12% over this period. Our engineering business was always operating in a direct selling mode and those relationships also helped us accelerate this strategy. All of this had a positive impact on the contribution margin of the PLM business.

NEW SOLUTIONS AND OFFERINGS

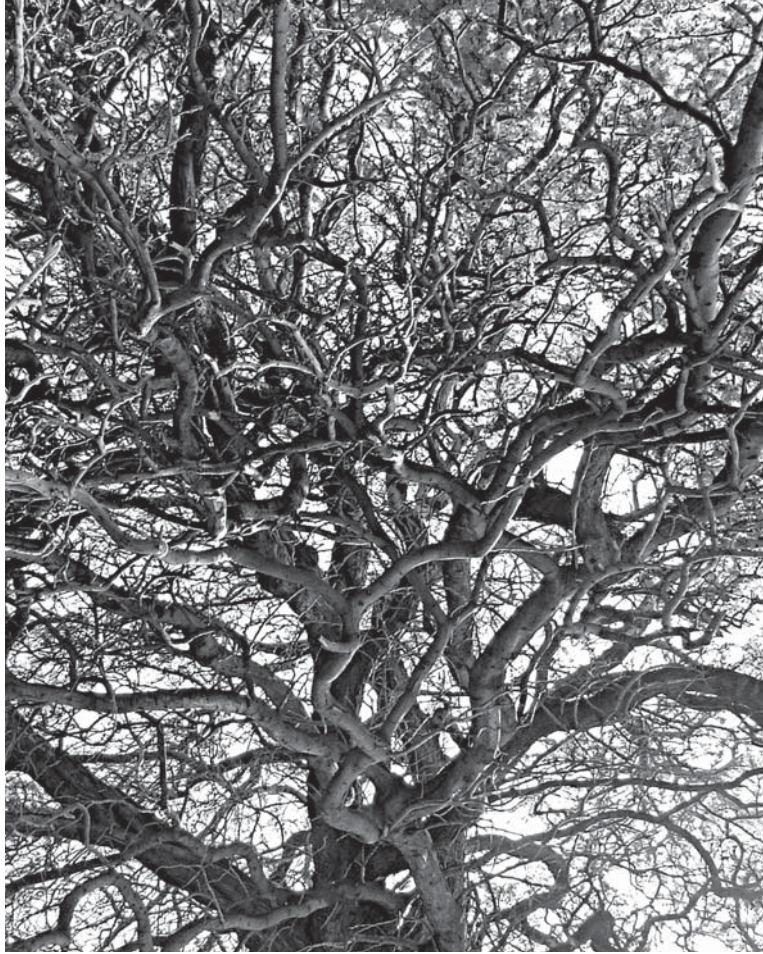
Your Company continued to innovate and create value drivers aligned with new opportunities in the market. The Manufacturing IT practice, launched last year, strengthened its presence in the market, winning recognition and striking new partnerships with technology leaders. We launched the Interoperability practice to provide a portfolio of products and solutions for customers to leverage diverse PLM technologies from multiple vendors across their global operations. With a view to providing better solution architecture and definition, we launched our Consulting practice, which is already engaged in many of our key accounts. We recognized the need to construct offerings for industry applications. Our PLM offerings have been specified for the fashion and the upstream oil and gas industries, opening up several non-traditional markets for us, while many more are under development. We launched two new products, DFMPPro and 3DPaintBrush during the year, reiterating our commitment to the creation of IPR.

SALES AND MARKETING

If we have to become effective in direct selling, we needed to invest in our sales and marketing organization. Our global sales and account management team was enhanced from 15 in the beginning of the year to 24 by the end of FY 2008. Our sales organization is now unified and sells our entire portfolio of offerings to every account that Geometric is engaged with. This enhancement helped us close over US Dollars 37 million of new business, and add 47 customers to our roster in the year. We significantly accelerated our sales effort outside the US; and Europe has grown rapidly as a market for us. To support the sales initiative, we launched a new brand identity to support our go-to-market strategy and enable the global integration of your Company under one brand. Geometric was also selected for the prestigious Frost & Sullivan Emerging Company of the Year Award for 2008, a truly commendable recognition. As a result of these efforts, your Company's brand is more visible than ever to our target customers, and our pipeline of opportunities is stronger than ever before.

STRATEGIC PARTNERSHIPS

Strategic partnerships have been at the core of the growth of your Company in the past. We strengthened our relationships with all of our strategic software partners during the year, with a new framework to pursue opportunities in development and services, and new solution development. Our joint venture with Dassault Systèmes, 3D PLM Software Solutions Ltd., went from strength to strength during the year. The former CFO of Geometric, Shashank Patkar, took over as CEO of 3DPLM from Manu Parpia and the new management team of the venture is keen on expanding the opportunities available to it. 3DPLM has rapidly evolved into a key value driver for both Geometric and DS, and we look forward to many more years of success.



Global Mindset

GLOBAL FOOTPRINT

Our strategic initiative in global consolidation and leveraging our global delivery footprint gained momentum. Geometric is now uniquely positioned as one of the few organizations in the world that has the ability to deliver engineering services and technology solutions through proximity centers in the US and West European markets, as well as low cost offshore centers in India, China and Eastern Europe. This fact will be the key determinant in creating new opportunities in the coming years, as companies look for increasing global leverage to manage their engineering requirements in the face of very tight economic conditions. Our presence in China has already helped us create opportunities in both the engineering and the PLM domain and we have started to ramp up our PLM competencies there, to address the significant local market opportunity.

Along with the initiatives related directly to the business, we continued to nurture the other building blocks that make a strong company. Our investment in competency building programs continued, through the PLM Institute and newer initiatives run by individual businesses. For instance, the Virtual Product Development Institute (VPDI) is a unique program for training in CAE which also creates the ability to ramp-up capacity rapidly. Your Company has always had a strong sense of social responsibility. UDAAN, our CSR initiative continued its multi-dimensional activities this year, supporting a number of worthy causes related to education and social welfare, in Pune and Mumbai. We aim to spread this movement to every part of the world where your Company operates.

Last year I had written that we would put in unflagging effort to achieve our goals. I would like to acknowledge the tremendous effort by each and every Geometrician towards this objective, over the past year. This effort was based on a passionate sense of belief and commitment in the direction that we have charted for ourselves, embodied in our new Vision statement, "To be the world's most innovative provider of product realization solutions". Yes, it was indeed a difficult year in multiple ways but as we move into FY 2009, I firmly believe that we have now created the foundation for sustainable growth. The fundamental changes are in place and we will now focus our efforts on increasing the velocity on each of these dimensions.

The Board of your Company has been immensely supportive of the management team during the year and we acknowledge this. We have benefited tremendously from the guidance and recommendations based on their rich experience. Above all, we are grateful for your support and continued belief in us; and the long term future of the company, despite the short-term setbacks. This confidence is critical to us and gives us the strength and belief to pursue the direction that we have set out for a sustainable future. Thank you.



Ravi Gopinath



Valuing the Individual

Management Team 2007-08



CORPORATE

Managing Director & CEO Ravi Gopinath
Chief Financial Officer G. Ravishankar
Chief Operating Officer Raja Ramana Macha
HR & Organizational Development Rajiv Singh
Corporate Mktg & Comm Gargi Sharma
Chief Information Officer Suchendra Kulkarni
General Counsel Basil Almeida
Corporate Quality Head George Alexander
Corporate Planning Sarvesh Naik

BUSINESS LEADERSHIP

Product Lifecycle Management Solutions

Global Business Head Ajit Joshi
Practice Head, Business Process Consulting Avinash Salelkar
Practice Head, Manufacturing IT Kamal Ajitsaria
Practice Head, DS Technologies Rajeev Narayanan
Practice Head, Siemens PLM Technologies
Vishwanath Narayanaswamy
Practice Head, Fashion Lifecycle Solutions Atul Dhakappa
Practice Head, Interoperability Solutions Vijay Soni

Software Product Lifecycle Solutions

Global Business Head Venkatesh Jagannath
Practice Head, Software R&D Shripad Kale

Global Engineering Solutions

Global Business Head Jim Tucker
Practice Head, CAE Suresh Nagesh
Practice Head, Industrial Automation Ajay Gangakhedkar

Desktop Products and Technologies

Global Business Head Mike Coleman
Head of Operations Vinay Kulkarni

Enterprise Interoperability Solutions

Global Business Head Parag Kale

3DPLM (70:30 JV with Dassault Systèmes)

CEO Shashank Patkar
Process Engineering Milind Shastri
Industry Solutions Hemant Gadgil
Product Development Sudarshan Mogasale
Product Development Sameer Atre

GLOBAL DELIVERY

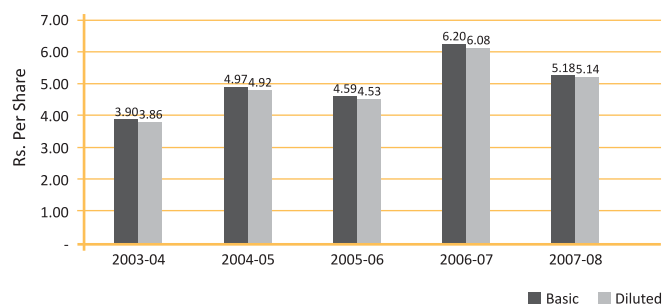
Mumbai, India Prakash Pillai
Pune, India Narendra Pitre
Engineering Solutions, Bangalore, India Vijay Mallya
Software Solutions, Bangalore, India Ganesh Radhakrishnan
Chennai, India Chakravarthy Kolli
Engineering Operations, Europe Jean-Marie Berthel
Brasov, Romania Vio Manolescu
Shanghai, China Dee Chu
Illinois, USA Michael Felt
Michigan, USA Jason Dawson

GLOBAL SALES

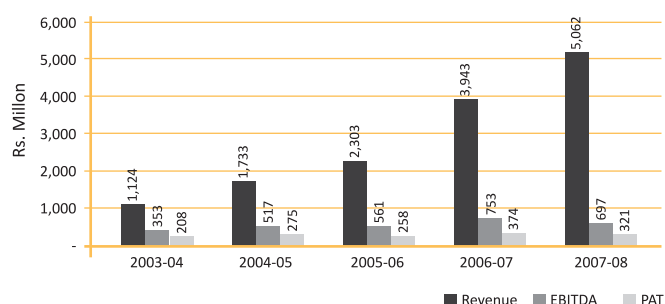
Americas Kalidas Surapaneni
Europe Keith Nichols
Japan Derek Fitzgerald
China & APAC Maureen Low
India Navin Gupta

Financial Highlights (Consolidated)

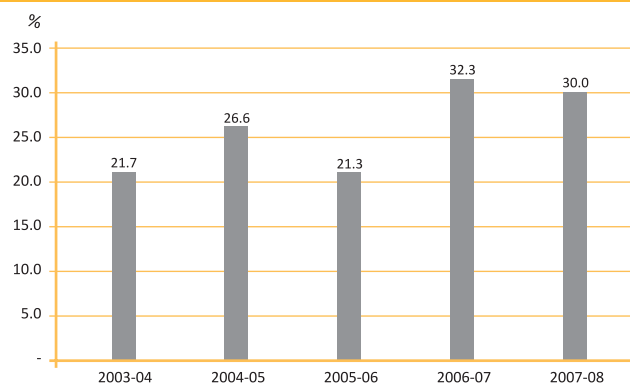
EPS Consolidated



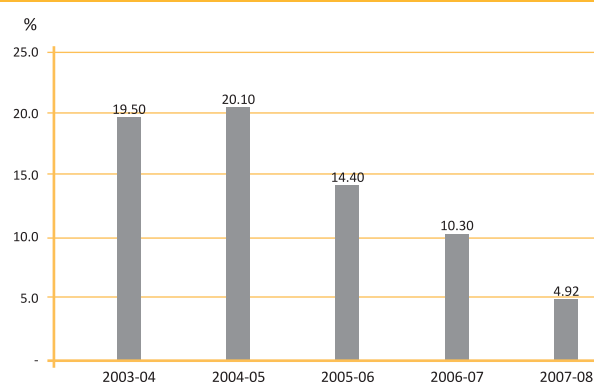
Revenue/PBT/PAT



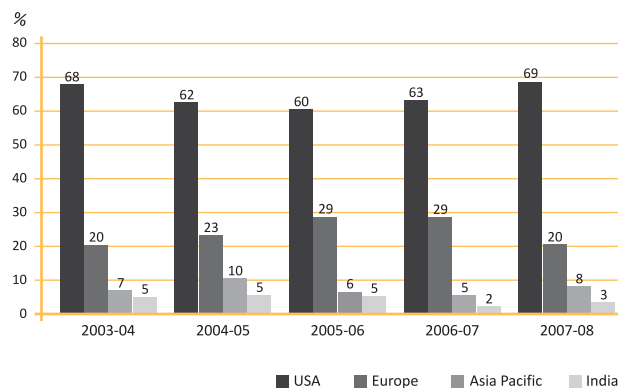
Return on Net Worth



Operating Profit as % of Operating Revenue



Break up of Revenue by Region



Share Price Movement



Financial Highlights (Consolidated)

(Amount in 000's)

Particulars	For the year ended March 31, 2008		For the year ended March 31, 2007	
	INR	USD	INR	USD
Export Revenue	4,721,410	118,509	3,735,830	85,704
Domestic Revenue	136,927	3,437	94,880	2,177
Other Income	203,406	5,106	111,920	2,568
Total Revenue	5,061,743	127,052	3,942,629	90,448
EBITDA	696,986	17,495	753,443	17,285
Depreciation	197,621	4,960	212,278	4,870
Interest Expenses	56,917	1,429	34,705	796
Income Tax	56,814	1,426	67,626	1,551
Minority Interests	54,976	1,380	64,442	1,478
Other prior period items	9,359	235	-	-
Profit After Tax (PAT)	321,299	8,065	374,393	8,589
Basic EPS	5.18	0.13	6.20	0.14
Diluted EPS	5.14	0.13	6.08	0.14
Dividend (%)	40%	40%	40%	40%
PAT as % of total income	6.35%	6.35%	9.50%	9.50%
Share Price (NSE/BSE)				
High	133.70	3.36	147.00	3.37
Low	42.95	1.08	64.25	1.47
Closing	52.15	1.31	100.20	2.30
USD Exchange Rate (Rs.)		39.84		43.59

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors have pleasure in presenting their report on the business and operations of the Company for the year ended March 31, 2008.

1A. FINANCIAL RESULTS (Unconsolidated):

The Company's operating performance (unconsolidated) during the year ended March 31, 2008 as compared to the previous year, is summarized below.

	<i>(Rupees Million)</i>	
	Current Year	Previous Year
SALES AND OTHER INCOME	2,012.29	1,972.86
Profit before Interest, Depreciation and Tax	375.03	479.48
Less: Interest	14.99	8.84
Less: Depreciation	93.20	121.34
PROFIT BEFORE TAXES	266.84	349.30
Less: Tax Adjustments in respect of earlier Years	9.26	-
Less: Provision for Taxes	43.39	40.73
NET PROFIT	214.19	308.57
Surplus brought forward	1124.28	908.32
Residual Dividend for previous year	(0.01)	(3.24)
Corporate Dividend Tax thereon	-	(0.45)
PROFIT AVAILABLE FOR APPROPRIATION	1,338.46	1,213.20
APPROPRIATIONS		
Proposed Dividend	49.68	49.54
Corporate Dividend Tax	8.44	8.42
Transfer to General Reserve	22.35	30.96
Surplus carried forward	1257.99	1,124.28
TOTAL	1,338.46	1,213.20

1B. FINANCIAL RESULTS (Consolidated):

The Company's operating performance during the year ended March 31, 2008 as compared to the previous year, is summarized below:

	<i>(Rupees Million)</i>	
	Current Year	Previous Year
SALES AND OTHER INCOME	5,061.74	3,942.63
Profit before Interest, Depreciation and Tax	696.99	753.44
Less: Interest	56.92	34.70
Less: Depreciation	197.62	212.28
PROFIT BEFORE TAXES	442.45	506.46
Less: Tax Adjustments in respect of earlier Years	9.09	-
Less: Provision for Taxes	56.81	67.63
PROFIT AFTER TAX AND BEFORE EXTRA ORDINARY ITEMS	376.55	438.84
Less: Prior Period Adjustments	0.27	-
PROFIT AFTER TAXES BEFORE MINORITY INTEREST	376.28	438.84
Less: Minority Interest in Net Profit of Subsidiaries	54.98	64.44
NET PROFIT	321.30	374.39
Surplus brought forward	1330.52	1,079.05
Residual Dividend for previous Year	0.01	(3.24)
Corporate Dividend Tax thereon	-	(0.45)
PROFIT AVAILABLE FOR APPROPRIATION	1,651.83	1,449.75
APPROPRIATIONS:		
Proposed Dividend	49.68	49.54
Corporate Dividend Tax	9.50	8.42
Transfer to General Reserve	46.85	45.17
Corporate Dividend Tax paid by Subsidiary	17.24	16.10
Surplus carried forward	1526.59	1,330.52
TOTAL	1,651.83	1,449.75

DIRECTORS' REPORT TO THE MEMBERS

2. DIVIDEND

The Directors recommend payment of dividend for the year at the rate of Rs. 0.80 per Equity Share of Rs. 2 each, as against dividend at the rate of Rs. 0.80 per Equity Share of Rs. 2 each paid last year.

3. BUSINESS REVIEW

The Financial Year 2007-08 saw Geometric undergo significant change and undertake a number of significant initiatives focused on growth.

a. The consolidated revenues for year ended FY08 grew from USD 85.16 Mn in FY07 to USD 121.56 Mn, a growth of 42.7%. Revenues in rupee terms grew from INR 383.07 Cr to INR 485.83 Cr, a growth of 26.8%. For the same period, profit-after-tax reduced from INR 37.44 Cr to INR 32.13 Cr, a decline of 14.2% over the previous year. This drop was on account of an appreciation of the rupee by approximately 12% and the full year consolidation of Geometric Engineering, Inc (i.e. Modern Engineering) as against consolidation of 5 months of this business in FY07, after acquisition.

b. The business Units of the company - Software services, Engineering services and Products recorded the following trends in the year FY08:

- Software services contribution to the topline decreased from 64.2% in FY07 to 55.9% in FY08. In absolute terms this business grew by 24% over the previous year.
- Engineering services contribution to the topline increased from 25.10% in FY07 to 36.9% in FY08. This was on account of an increase in the products engineering business (in-house engineering business) by 34% in absolute terms over previous year as well as full year business consolidation of the acquired engineering business (Geometric Engineering Inc) in FY08 as against a 5 month business consolidation in the previous year.
- Products business contribution to the topline decreased from 10.7% to 7.2%. In absolute terms the products business remained flat in comparison to the previous year.

c. The 4 regions in which the company operates recorded the following trends:

- US geography exposure grew from 62.8% in FY07 to 69.3% in FY08
- Europe's share of revenue dropped from 29.4% in FY07 to 20.2% in FY08
- APAC's share increased from 5.4% in FY07 to 7.6% in FY08
- India's share remained flat and was at 2.5% in FY07 compared to 2.8% in FY08

Much of these changes were on account of full year consolidation of Geometric Engineering, Inc. (Modern Engineering), which has US centric operations, as compared to 5 month business consolidation in the previous year.

d. Trends in various vertical segments that the company catered to were as follows:

- Software ISV & Partners: Segment share of business reduced from 58.6% in FY07 to 51.1% in FY08. In absolute terms this segment grew by 24% over the previous year.
- Automotive: Segment share of business increased from 23.8% in FY07 to 30.3% in FY08. In absolute terms this segment recorded a growth of 82% over the previous year.
- Agricultural and Construction Equipment: Segment share of business increased from 4.4% in FY07 to 10.2% in FY08. In absolute terms this segment recorded a growth of 231% over the previous year.
- Industrial and Marine Engineering: Segment share of business dropped from 5% in FY07 to 4.2% in FY08. In absolute terms this segment recorded a year-on-year growth of 20%.

The reduction in the share of business from partners was a planned one with the company focusing on only strategic partnerships. We had taken specific initiatives to drive our direct to market strategy and the growth in the share of business from various verticals is a testimony of movement of business in this direction.

e. Total number of employees (in the year end) increased from 2551 in FY07 to 2968 in FY08, an addition of 417 employees. New recruitment in the year was 1017 in FY08 as compared to 937 in FY07. In FY08 13.6% of our workforce are women as compared to 11% in FY07. Employees from other nationalities (other than Indian) constituted 16% of our workforce in FY08 as compared to 7.5% (on a prorated basis due to 5 month consolidation of acquired business) in FY07.

The Company had announced its three year strategic plan in FY07 and had identified 6 strategic initiatives that it would focus on:

- Extend our offerings to span the entire product realization value chain. Extend into new verticals. Differentiate with products.
- Leverage the global delivery network to offer customers the best combination of proximity, cost efficiencies and capacity, on a strong quality foundation.

DIRECTORS' REPORT TO THE MEMBERS

- Build a strong brand and increase reach to market by going direct to end users of our services.
- Strengthen select strategic partnerships to extend value proposition and improve go-to-market effectiveness.
- Deploy an organizational model that will create a foundation for integration and facilitate scaling.
- Achieve growth acceleration in key areas through acquisition.

All initiatives driven by the company this year were directed at achieving these goals and the company will continue to drive these initiatives into the next year.

4. DIRECTORS

Dr. Richard Riff and Mr. Milind Sarwate, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Mr. Marc Dulude who was a member of the Board for around 12 years has resigned from the board with effect from 1st April, 2008. We place on record our deep appreciation of the services by Mr. Dulude during his tenure on the Board. Mr. Dulude participated actively in deliberations of Board. The company immensely benefited by his foresightfulness.

5. INVESTMENTS

During the year, Geometric Americas, Inc., a wholly-owned subsidiary of the Company bought 17.74% shares of Geometric Technologies, Inc. (Teksoft) for US\$ 577,018. Accordingly, Geometric Technologies has become a wholly owned subsidiary of the Company.

6. AUDITORS

M/s. Kalyaniwalla & Mistry, Chartered Accountants, Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

7. AUDIT COMMITTEE

The Company has an Audit Committee consisting of four non-executive Directors of the Company, viz., Mr. Milind Sarwate - Chairman, Dr. K. A. Palia, Dr. Richard Riff and Ms. Anita Ramachandran.

8. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in the Annexure 'A' to this Report.

9. SUBSIDIARIES

The Company has the following wholly-owned Subsidiary Companies:

- Geometric Americas, Inc., U.S.A.
- Geometric Asia Pacific Pte. Ltd., Singapore
- Geometric Technologies, Inc.

The Company has the following other Subsidiary Companies:

- 3D PLM Software Solutions Ltd., in which the Company holds 70% stake.
- Geometric Engineering, Inc. (on 1st April 2008 it merged with Geometric Americas, Inc.)
- Geometric China, Inc. (Subsidiary of Geometric Asia Pacific Pte. Ltd., Singapore)
- Geometric SRL, Romania (Subsidiary of Geometric Engineering, Inc.)
- Geometric SAS, France (Subsidiary of Geometric Engineering, Inc.)

As required under Section 212 of the Companies Act, 1956, the subsidiaries' audited statement of accounts for the year ended March 31, 2008, are attached to the Balance Sheet.

10. PARTICULARS OF EMPLOYEES

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

11. STOCK OPTIONS

The disclosures required to be made under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are given in the Annexure 'C' to this Report.

12. CORPORATE GOVERNANCE

As required under the Listing Agreement with Stock Exchanges a report on Corporate Governance is given in the Annexure 'D' to this Report.

13. EMPLOYEE RELATIONS

The Company continued to have cordial relations with its employees.

14. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, and after due enquiry, confirm:

- that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

- b. that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that the annual accounts have been prepared on a going concern basis.

15. ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the contribution made by the employees towards the success of the Company. The Directors are also thankful for the co-operation, support and assistances received from the banks, investors, customers, Central and State Government departments and local authorities.

The Directors would also like to acknowledge the continued support of the Company's shareholders.

On behalf of the Board of Directors

J. N. GODREJ
Chairman

DR. RAVI GOPINATH
Managing Director
& CEO

Mumbai

Date: April 18, 2008

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy:

The Company's operations are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and purchasing energy-efficient equipment. The Company constantly evaluates new technologies and invests to make its infrastructure more energy-efficient. Currently, the Company uses CFL fittings and electronic ballasts to reduce the power consumption of fluorescent tubes. Air-conditioners with energy-efficient screw compressors for central air-conditioning and with split air-conditioning for localized areas are used. As energy costs comprise a very small part of the total expenses, the financial impact of these measures is not material.

2. Technology Absorption:

The particulars with respect to Technology Absorption are given below:-

a. Research and development (R & D)

1. Specific areas in which R & D carried out by the company:

Software products development in PLM domain and more particularly inter-operability of multiple PLM systems.

2. Benefits derived as a result of the above R & D:

Product Quality has improved and new products have been introduced.

3. Future plan of action:

The Company continues to focus its efforts on innovations in software development processes.

4. Expenditure on R & D:

The Company's R & D activities are part of its normal software development process. There is no separate R & D department and hence there is no specific capital or recurring R & D expenditure. It is not practicable to identify R & D expenditure out of the total expenditure incurred by the Company.

b. Technology absorption, adaptation and innovation

1. Efforts made towards technology absorption, adaptation and innovation:

The Company is focused on innovation. It has established practice streams in specific technologies. It has also established a PLM Institute to impart training and encourage innovation. These steps will lead to greater innovation and adaptation of new technologies.

2. Benefits derived as a result of the above efforts:

High product quality and increased business potential

3. Technology imported during the last 5 years:

Not applicable, as no imported technology is put to use by the Company.

3 Foreign Exchange Earnings and Outgo:

a. Activities relating to Exports:

The Company is in the business of software exports. All efforts of the Company are geared to increase the business of software exports in different products and markets.

b. Total Foreign Exchange Earnings used and earned:

	Current Year (Rs.)	Previous year (Rs.)
Total Foreign Exchange used	318,409,546	429,142,195
Total Foreign Exchange earned	1,662,646,530	1,740,468,479

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Particulars of Employees as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended March 31, 2008

The information is in the following format:

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

Employed for the whole year:

1. Mr. Manu M. Parpia, Founder & Vice Chairman, BE (Chem), Dipl Finance, MBA (Harvard), 58, 16-Jan-85, 28, 5,649,232
Self-employed
2. Dr. Ravi Gopinath, MD & CEO, B.Tech (Chem), PhD, 42, 4-Oct-06, 19, 4,665,245, TCS, Vice President
3. Mr. Ravishankar G., Chief Financial Officer, BSc (Chem), CA, ICWA, 41, 28-Feb-07, 18, 6,923,141, GE Healthcare, South Asia, CFO
4. Mr. Rajaramana Macha, Chief Operating Officer, BE (Elec, Comm Engg), MBA, 42, 11-Dec-06, 21, 4,976,889, TCS, Principal Consultant
5. Mr. Venkatesh Jagannath, Practice Head-SPLS, BE (Machine Tools), M.Tech (Production), 40, 1-July-94, 15, 2,829,983, Godrej & Boyce Mfg. Co. Ltd.
6. Mr. Ajit Joshi, Vice President, PLM Solutions, B.Tech(Civil), MS (Structures), PGDMM (Mktg), 43, 04-Aug-97, 18, 4,444,719, Computer Vision, Telco, Sargent & Lundy Engineers, Stran Buildings
7. Mr. Vijayshankar Mallya, Director*, BE (Mechanical) 41, 09-Dec-03, 18, 2,455,031, Scandent Group, DSQ software Ltd., Godrej & Boyce Mfg. Ltd.
8. Mr. Kolli Srikalyana Chakra, Director*, BE(Mechanical), M.Tech (Machine Dynamics), 41, 30-May-05, 18, 2,616,043, Tata Consultancy Services
9. Mr. Rajiv Singh, Vice-President-Human Resource*, B.Tech (Met Engg), M.Tech (Met Engg), 42, 01-Jul-94, 18, 3,393,124, 3DPLM Software Solutions Ltd., Director, Projects
10. Mr. Narendra Pitre, Director - Delivery*, BE(Mech) , ME (Mech) , 43, 10-June-96, 18, 3,012,030, Telco, Assistant Manager.
11. Mr. Shripad Kale , Principal Consultant-Delivery, BE(Mech), M.Tech (Production), Diploma (Mech), 40, 1-Aug-95, 18, 2,551,613, Telco
12. Dr. Vinay Kulkarni, Director - Products*, B.Tech (Mech), PhD, 42, 12-June-95, 20, 3,144,069, IIT Mumbai, Research Engineer.
13. Mr. Suresh Nagesh, Practice Head, VPD, B.Tech (Mech & Prod), M.Tech (Solid Mechanics), PhD, 45, 23-Aug-06, 18, 3,169,179, DCRTI, Head Dept, Vehicle Engg

Employed for part of the year

1. Mr. Shashank Patkar, Vice President, Strategic Initiatives, BE(Mech), MMS (Mktg.), 45, 01-Jul-94, 22, 2,129,844, Geometric Americas, Inc, SBU Head - Information Management
2. Mr. Chetan Chauhan, Directors- Product, BE (Mechanical), M.Tech (Design) 40, 1-July-94, 16, 1,805,855, Godrej & Boyce Mfg Co. Ltd.
3. Mr. Uday Karanjkar, Director - Integrated Digital Geometric*, BE (Electronics), PGDIE (Ind. Engg), 53, 21-March-05, 30, 22,12369, Mahindra British Telecom, Programme Manager.

* Not a member of the Board of Directors of the Company.

Note:

1. All appointments are non-contractual, except in the case of the Managing Director and Chief Executive Officer, Founder and Vice Chairman, Chief Financial Officer and Chief Operating Officer.
2. None of the above-mentioned employees is a relative of any Director of the company.

ANNEXURE 'C' TO THE DIRECTOR'S REPORT

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2008

A. Summary of Status of ESOP's Granted

The position of the existing schemes is summarized as under,

Particulars	Scheme II ESOP Scheme 1999**	Scheme III ESOP Directors 2000 Scheme	Scheme IV ESOP Scheme 2001	Scheme V ESOP Scheme 2003	Scheme VI Special ESOP Scheme 2006
	Numbers	Numbers	Numbers	Numbers	Numbers
1 Details of the Meeting	Annual General Meetings (September 21, 1999 and June 29, 2004)	Annual General Meetings (July 14, 2000 and June 29, 2004)	Annual General Meetings (June 22, 2001 and June 29, 2004)	Annual General Meetings (June 18, 2003 and June 29, 2004)	Extraordinary General Meeting (November 21, 2006)
2 Approved	313,390	300,000	3,546,250	2,750,000	1,850,000
3 The Pricing Formula	Rs. 150/- (pre IPO) Rs.300/- (post IPO but pre listing), NSE market price (post listing)	National Stock Exchange (NSE) market price	Closing price on National Stock Exchange (NSE) on a day previous to the day of grant.	Closing price on NSE on date immediately preceding grant of options. The options may be granted at Market Price computed in accordance with the ESOP Guidelines	The Exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) Guidelines, 1999
4 Options Granted	298,666	260,000	3,449,120	2,100,025	1,847,500
5 Options Vested	-	260,000	3,449,120	1,772,707	400,000
6 Options Exercised	223,292	216,500	2,368,560	1,144,105	
7 Options Forfeited / Surrendered	69,845	28,500	1,028,515	1,100,715	25,000
8 Options Unexercised	-	15,000	-	955,920	1,847,500
9 Options Lapsed	5,529	52,045	-	-	
10 Total Number of Options in force	-	15,000	-	955,920	1,847,500
11 Variation in terms of ESOP	NA	N.A	Amended on June 18, 2003 so as to contemplate the grant of options to employees of the subsidiaries of the Company retrospectively.	NA	NA
12 Total number of shares arising as a result of exercise of options	223,292	216,500	2,368,560	1,144,105	-
13 Money realised by exercise of options (Rs. In Lakhs)	343.16	71.66	561.04	567.97	-

* Adjustment made only to the extent of unexercised vested options and unvested options.

** Since the options under this scheme, were already vested and exercised before the split, the adjustment for split is not done.

ANNEXURE 'C' TO THE DIRECTOR'S REPORT (Contd..)

B. Employee-wise details of options granted during the financial year 2007-08 to:

(i) Senior managerial personnel

Name	No. of options granted
Mr. G Ravishankar	100,000
Mr. Raja Ramana Macha	65,000
Mr. Michael McConnell	25,000
Mr. Shashank Patkar	25,000
Mr. Rajiv Singh	15,000
Mr. Ajit Joshi	15,000
Mr. Prasad Joshi	15,000
Mr. Kalidas Surapaneni	15,000
Mr. Venkatesh Jagannath	10,000
Mr. Jim Tucker	10,000
Mr. MiKe Coleman	10,000
Mr. Parag Kale	10,000
Mr. Narendra Pitre	10,000
Mr. Vinay Kulkarni	10,000
Ms. Gargi Sharma	7,500
Mr. Basil Almeida	7,500
Mr. Nambi Chandrasekaran	7,500
Mr. Hushedar Mehta	7,500
Mr. Derek Fitzgerald	7,500
Mr. Anand Joshi	7,500
Mr. Vijay Mallya	7,500
Mr. Ganesh Radhakrishnan	7,500
Mr. Prakash Pillai	7,500
Mr. Chakravarthy Kolli	7,500
Mr. Rajeev Narayanan	7,500
Mr. Nitin Tappe	7,500
Mr. Suresh Nagesh	7,500
Mr. Milind Shastri	7,500
Mr. Sudarshan Mogasale	7,500
Total	447,500

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year - Nil -

(iii) Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant - Nil -

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 **Rs. 3.43**

D. Weighted average exercise price of Options granted during the year whose

- a. Exercise price equals market price Rs. 118
- b. Exercise price is greater than market price NA
- c. Exercise price is less than market price NA

Weighted average fair value of options granted during the year whose

- a. Exercise price equals market price Rs. 57.88
- b. Exercise price is greater than market price NA
- c. Exercise price is less than market price NA

E. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2007-08 is Nil. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the financial statements for the year 2007-08 would be Rs. 31,859,181. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	Rs.
Net Income	223,449,485
As Reported	
Add: Intrinsic Value Compensation Cost	
Less: Fair Value Compensation Cost	31,859,181
Adjusted Pro Forma Net Income	191,590,304
Earning Per Share: Basic	3.45
As Reported	
Adjusted Pro Forma	
Earning Per Share: Diluted	3.43
As Reported	
Adjusted Pro Forma	

F. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Variables	Date of Grant	
	30-Apr-07	14-Jan-08
1. Risk Free Interest Rate	8.02%	7.31%
2. Expected Life	3.65 years	3.65 years
3. Expected Volatility	60.71%	56.29%
4. Dividend Yield	1.54	1.54
5. Price of the underlying share in market at the time of the option grant.	127.70	82.05

ANNEXURE 'D' TO THE DIRECTORS' REPORT

To the Members of
Geometric Limited.
Plant 6, Pirojshanagar,
Vikhroli (West), Mumbai 400 079.

We have examined the compliance of conditions of Corporate Governance by Geometric Limited (the Company) for the year ended on March 31, 2008, as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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 compliance with the conditions of 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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 and on behalf of

KALYANIWALLA & MISTRY

CHARTERED ACCOUNTANTS

Daraius Z. Fraser

PARTNER

M. No.: 42454

Place: Mumbai

Date: April 18, 2008.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented the mandatory requirements of the 'Code of Corporate Governance' as mentioned in the clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. Board of Directors

a. Composition and Category of Directors:

The Company has an optimum combination of Executive and Non-executive Directors. The Board comprises of

two Executive Directors and seven Non-executive Directors. The Executive Directors are Dr. Ravi Gopinath, Managing Director and Chief Executive Officer (Managing Director & CEO) and Mr. Manu Parpia, Founder and Vice Chairman. The Non-executive Directors comprise 78% of the Board.

The Chairman of the Board is a Non-executive Director and more than one third of the Board comprises of independent Directors.

Except the 2 Executive Directors, and the Nominee Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE (Contd..)

The composition of the Board and other relevant details relating to Directors are given below:

Name of the Director	Designation	Category of Directorship Directorships *	No. of Other Memberships #	No. of Committee	
				Chairperson	Member
Mr. J. N. Godrej	Chairman	Non-Executive; Non-Independent	11	-	3
Dr. Ravi Gopinath	Managing Director & CEO	Executive; Non -Independent	1	-	-
Mr. Manu Parpia \$	Founder and Vice Chairman	Promoter; Executive; Non-Independent	4	-	1
Dr. K. A. Palia	Director	Non-Executive; Non-Independent	4	-	1
Ms. Anita Ramachandran	Director	Non-Executive; Independent	3	-	-
Mr. Milind Sarwate	Director	Non-Executive; Independent	2	-	-
Mr. Marc Dulude**	Director	Non-Executive; Independent	-	-	-
Dr. Richard Riff	Director	Non-Executive; Independent	-	-	-
Ms. Renuka Ramnath***	Nominee Director	Non-Executive; Non-Independent	9	-	1

Note:

* Directorships in Private and Foreign Companies are excluded.

Memberships of only Audit Committee and Shareholders' Grievance Committee have been considered, including those held in the Company

\$ Mr. Manu Parpia will be Non Executive Director from April 1, 2008.

** Mr. Marc Dulude has resigned from the Board of Directors w.e.f April 1, 2008.

*** Ms. Ramnath is a Nominee Director of ICICI Venture Funds Management Co. Ltd., who has invested in the equity shares of the Company.

b. Appointment / Reappointment of Directors:

The Directors whose appointment/re-appointment is proposed at the forthcoming Annual General meeting are:

i. Mr. Milind Sarwate - Director

Milind S. Sarwate is the Chief of Human Resources and Strategy at Marico Limited (a leading Indian Consumer Group, in the beauty and wellness space, with current annualized turnover of about Rs. 19 billion). His current role encompasses human resources, M&A, corporate communication and strategic business planning for the Marico Group. Milind has 24 years of corporate experience, primarily in the consumer products industry, in finance, corporate development, product supply and now human resources and strategy with three corporate groups, Hoechst (Aventis), Godrej and Marico.

During 1998-2007, Milind was Marico's Chief Financial Officer, heading the finance function that comprised core finance, information technology, legal, company secretarial, taxation, internal audit and corporate affairs functions. He led Marico's efforts in shareholder value creation, acquisitions and alliances, corporate structuring, and financial & corporate communication. He also played a leading role in various cross-functional initiatives in the areas of information technology, SAP's ERP and SCM; and in performance management, Simplified Economic Value Added (SEVA), and Total Cost Management (TCM).

Milind completed his professional education (Chartered Accountancy, Cost Accountancy and Company Secretaryship) during 1983-84, with high All India Ranks in CA and CWA, following a B. Com. (Honours) from the University of Bombay in 1979. During 1996, he was one of the two Indian managers selected for the CII-

REPORT ON CORPORATE GOVERNANCE (Contd..)

Fulbright Fellowship for Leadership in Management at the Carnegie Mellon University, Pittsburgh, Pennsylvania, U.S.A.

Milind's directorships in other companies are as under:

- Non-executive Director on the Board of Geometric Ltd (also Chairman of the Audit Committee and member of the Compensation Committee)
- Non-executive Director on the Board of 3D PLM Software Solutions Ltd., a Geometric Ltd subsidiary
- Non-executive Director on the Board of Hindustan Polyamides and Fibres Limited
- Non-executive Director on the Boards of several overseas Companies in the Marico Group

Milind has also been a past member (2004-2007) of Board of Governors, Institute of Internal Auditors, Inc., Mumbai Chapter.

ii. Dr. Richard Riff

Dr. Richard Riff is the Director of Ford's Product Lifecycle Management (PLM) initiative and technical fellow for Virtual Product Creation and PLM, one of five technical fellows at Ford.

Dr. Riff joined Ford Motor Company in 1989 as a CAE technical specialist for Automotive Parts Operations Electronics Division. An internationally recognized authority in the field of computer-aided design, manufacturing, engineering (CAD-CAM-CAE) and PLM, Dr. Riff is leading the team responsible for developing Ford's global PLM strategy. Formerly the Director of the C3P Project Office, Dr. Riff led the development and implementation of Ford's C3P—CAD/CAM/CAE and PLM strategy, a global, cross-functional enabler involving major changes in Ford's processes, methods, tools, architecture and infrastructure. He received the company's most prestigious technical award, becoming a Ford fellow for his work on Ford's C3P strategy in 1998.

Before joining Ford, Dr. Riff was a Professor of Aerospace Structures at Georgia Technological University in Atlanta, Georgia, and at Technion Institute of Technology in Israel, where he received his Bachelor's, Master's, Doctorate and Doctorate of Science in Aeronautic and Mechanical Engineering. Dr. Riff has authored more than seventy technical publications and several books in his areas of specialization, including CAE, CAD, CAM, structural and dynamic FEA, pre and post-processors, descriptive geometry and material constitutive laws.

He is also a Director in Proficiency Ltd, Spaceclaim, Inc and Geometric Engineering, Inc.

c. Board Meetings and Annual General Meeting:

During the financial year 2007-08, 5 Board Meetings were held on - April 30, 2007, July 16, 2007, October 19, 2007, January 14, 2008 and March 26, 2008. The last Annual General Meeting of the Company was held on June 29, 2007. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows.

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. J. N. Godrej	4	Present
Dr. Ravi Gopinath	5	Present
Mr. Manu Parpia	5	Present
Dr. K. A. Palia	5	Present
Ms. Anita Ramachandran	4	Present
Mr. Marc Dulude*	1 (and 4 on teleconference)	Absent
Dr. Richard Riff	5	Absent
Mr. Milind Sarwate	5	Present
Ms. Renuka Ramnath	2	Absent

*Ceased to be director w.e. f. 01 April, 2008.

d. Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the company. The same is posted on the website of the company at the following link:-

http://www.geometricglobal.com/investors/code_of_conduct_directors.PDF

The Company has obtained the confirmation of the Compliance with the Code from all its Board members and senior management personnel for the current year.

3. Audit Committee

a. Constitution of Audit Committee:

The current Audit Committee, re-constituted on July 17, 2006, consists of four Non-executive Directors, 3 of which are independent directors and most of them have financial and accounting knowledge.

b. Composition of Audit Committee and Number of Meetings Attended:

Five Audit Committee Meetings were held during the financial year 2007-08, on April 23, 2007, April 30, 2007, July 13, 2007, October 18, 2007 & January 11, 2008. The composition of the Audit Committee and the number of meetings attended during the financial year 2007-08 were as under:

Committee Members Attending the Meeting	Designation	No. of Meetings Attended
Mr. Milind Sarwate	Chairman	5
Dr. K. A. Palia	Member	4
Dr. Richard Riff	Member	2 (and 1 on teleconference)
Ms. Anita Ramachandran	Member	4

REPORT ON CORPORATE GOVERNANCE (Contd..)

c. Attendees:

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Chief Financial Officer attends such meetings. The Statutory Auditors and Internal Auditors are also invited to these meetings. In the absence of a Company Secretary, due to a vacancy in the office of the Company Secretary, Mr. G. Ravishankar, Chief Financial Officer, acts as the officiating secretary of the Committee.

d. The terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee as defined by the Board are as under:

1. Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
2. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to;
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
6. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
7. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

e. Powers of the Audit Committee:

The Board has delegated the following powers to the Audit Committee:

1. Investigating any activity within its terms of reference as above or in relation to the items specified in section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time, and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary.
2. Seek information from any employee.
3. Obtain outside legal or other professional advice, if necessary.
4. Secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Remuneration Committee

a. Constitution of Remuneration Committee:

The Remuneration Committee constituted on February 28, 2001, was reconstituted on April 14, 2005, July 17, 2006 and April 30, 2007 and presently consists of 4 members. Except for Mr. Manu Parpia all the members are Non-Executive Directors.

b. Composition of Remuneration Committee and the Number of meetings attended:

Five Remuneration Committee Meetings were held during the financial year on April 30, 2007, May 15, 2007,

REPORT ON CORPORATE GOVERNANCE (Contd..)

June 13, 2007, June 29, 2007 and January 14, 2008. The composition of Remuneration Committee and the number of meetings attended during the financial year 2007-2008 were as under:

Name of the Director	Designation	No. of Board Meetings Attended
Mr. J. N. Godrej	Chairman	5
Mr. Manu Parpia**	Member	4
Ms. Anita Ramachandran	Member	4
Mr. Milind Sarwate **	Member	3 & 1 on teleconference
Dr. Richard Riff*	Member	1

*He ceased to be member w.e.f 1st May, 2007.

** Appointed as member w.e.f 1st May, 2007.

c. Terms of reference:

The Committee conducts a periodic review of the remuneration payable to the Senior Management of the Company and also considers the Employee Stock Option Plans, which the Company may wish to offer to its employees and reports the same to the Board of Directors.

d. Remuneration Policy:

1. Management Staff :

Remuneration of employees largely consists of basic remuneration, perquisites and Employee Stock Option Plan as per SEBI Guidelines. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employees, responsibilities handled by him, his individual performance, etc.

2. Non-Executive Directors :

Pursuant to the Members approval at the last Annual General Meeting held on June 27, 2006, the Company has obtained approval from the Central Government for payment of commission upto 3% of the Net Profits of the Company restricted to 1% of the consolidated Net Profits before tax of the Company per annum to Non-executive Directors for a period of five years commencing from April 1, 2006. Accordingly, the Company pays commission to all the Non-executive Directors within the said limits. No sitting fees or other remuneration is paid to them.

The total Commission payable for the year ended March 31, 2008, to the Non-Executive Directors, calculated at 0.5% of the consolidated net profits before tax of the Company amounted to Rs. 2, 212,242/-.

The details of commission payable for the Financial year 2007-08 are summarized as below:-

Name of Director	Commission (Rs.)
Mr. J. N. Godrej	271,607
Dr. K. A. Palia	391,115
Ms. Renuka Ramnath	162,965
Ms. Anita Ramachandran	336,793
Mr. Marc Dulude	271,607
Dr. Richard Riff	370,744
Mr. Milind Sarwate	407,411
Total	2,212,242

The Commission paid to the Non-Executive Directors is based on roles and responsibilities as well as the attendance at Board Meetings.

Under Directors ESOP Scheme 2000, the eligible Directors were granted stock options and the same are exercisable by the Directors according to the terms of the Scheme. During the year no stock options were granted to any of the Non-Executive Directors of the Company.

The details of shares and Employee Stock Options held by the non-Executive Directors as on March 31, 2008, are as given below:

Name of the Director	No. of Shares held	No. of Stock Options Held
Mr. J. N. Godrej	-	-
Dr. K. A. Palia	45,000	5000
Ms. Anita Ramachandran	45,000	5000
Mr. Marc Dulude*	45,000	5000
Dr. Richard Riff	-	-
Mr. Milind Sarwate	-	-
Ms. Renuka Ramnath	-	-

*Ceased to be director w.e. f. 01 April, 2008.

3. Executive Directors :

The Company has two Executive Directors - Dr. Ravi Gopinath, Managing Director and CEO and Mr. Manu Parpia, Founder and Vice Chairman during the year ended March 31, 2008. The present tenure of Mr. Parpia, the Founder and Vice Chairman of the Company expired on March 31, 2008. However, he will continue to act as Non Executive Founder and Vice Chairman and also as a Lead Director.

The remuneration of Mr. Manu Parpia from January 15, 2007 to March 31, 2008 and of Dr. Ravi Gopinath for the period commencing from October 4, 2006 to October 3, 2009 has been approved by the Compensation Committee of the Board of Directors, the Board of Directors and Shareholders in the General Meeting.

REPORT ON CORPORATE GOVERNANCE (Contd..)

e. Remuneration to Executive Directors –

i. Dr. Ravi Gopinath :

Details of remuneration paid to Dr. Ravi Gopinath, for the year ended March 31, 2008 are given below:

Particulars	Amount (Rs.)
i Salary and Allowances	4,665,245
ii Performance Bonus	-
Total	4,665,245

ii. Mr. Manu Parpia :

Details of remuneration paid to Mr. Manu Parpia for the year ended March 31, 2008 are given below:

Particulars	Amount (Rs.)
i Salary and Allowances	5,649,232
ii Performance Bonus	-
Total	5,649,232

5. Shareholders' / Investors' Grievance Committee

a. Constitution and Composition of Shareholders' Grievance Committee:

The current Shareholders' / Investors' Grievance Committee was constituted on January 17, 2002 and reconstituted on 30 April, 2007 to look into and investigate the investors complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. Four Shareholders'/Investors' Grievance Committee Meetings were held during the financial year 2007-08, on April 19, 2007, July 13, 2007, October 18, 2007 and January 14, 2008. The Committee consists of two Non-executive Directors and the two Executive Directors as under:

Name of the Director	Designation	No. of Board Meetings Attended
Mr. J. N. Godrej	Chairman	2
Mr. Manu Parpia	Member	4
Dr. K. A. Palia	Member	4
Dr. Ravi Gopinath*	Member	3

*Appointed w.e.f 1st May, 2007

- In the absence of a Company Secretary, due to vacancy in the Office of the Company Secretary, Mr. Ravishankar G., CFO acts as the officiating secretary of the Committee.
- 13 new complaints received during the year from shareholders / investors were resolved. There were no complaints pending as at the beginning or at the end of the year.

6. Share Transfers in Physical Mode

In order to expedite the process of share transfers, the Board of Directors of the Company delegated the power to the Registrar & Share Transfer Agent (The R&TA), M/s. Intime Spectrum Registry Ltd.

The R&TA transfers the shares received in the physical mode on a fortnightly basis. Summary of the shares transferred is noted at the next Board Meeting.

7. General Body Meetings

a. Annual General Meeting:

- Location, time and date where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Location of the Meeting
2006-07	June 29, 2007	3.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.
2005-06	June 27, 2006	4.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.
2004-05	June 24, 2005	4.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

ii. Special Resolution:

The following special resolutions were passed by the members during the past 3 Annual General meetings:

Annual General Meeting held on June 29, 2007

Nil

Annual General Meeting held on June 27, 2006

Subject Matter of Resolution

- Payment of Commission to Non-Executive Directors for a sum not exceeding 3% of the net profits of the Company provided that the Commission shall not exceed 1% of the Profit Before tax based on the audited consolidated financial accounts of the Company.
- Re-appointment of Mr. Manu Parpia as the Managing Director and Chief Executive Officer of the Company for a period of One year and Six months w.e.f. April 1, 2006.

REPORT ON CORPORATE GOVERNANCE (Contd..)

Annual General Meeting held on June 24, 2005

Subject Matter of Resolution

1. Payment of Commission to Non-Executive Directors
2. Alteration of Article No. 3. i.e. Authorised Capital of the Articles of Association
3. Approval of Sub-Division of Stock Options

- iii. No special resolution was conducted through Postal Ballot.
- iv. The procedure for postal ballot shall be laid down in Companies (passing of the Resolutions by Postal Ballot) Rules, 2001.

b. Extraordinary General Meeting

- i. Location, time and date of holding the Extraordinary General Meetings (EGM) are given below:

Financial Year	Date	Time	Location of the Meeting
2007-08	October 08, 2007	3.00 p.m.	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai – 400 079.
2006-07	May 17, 2006	4.00 p.m.	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai – 400 079.
2006-07	November 21, 2006	4.00 p.m.	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai – 400 079.

- ii. Special Resolution:

The following special resolutions were passed at the EGM held on 2007-08:

Subject Matter of Resolution

1. Change of the name of the Company from Geometric Software Solutions Co. Limited to Geometric Limited
2. Substitution of the name of Geometric Software Solutions Co. Limited to Geometric Limited wherever it appears in AOA of the Company by new name.

The Special Resolutions moved at the EGM were passed on a show of hands by the shareholders present at the meeting

- iii. Special Resolution:

The following special resolutions were passed at the EGM held on 2006-07:

Subject Matter of Resolution

1. Alteration of Articles of Association
2. Preferential Issue of 3,867,075 Equity Shares to ICICI Venture Funds Management Company Ltd.
3. Appointment of Dr. Ravi Gopinath as Managing Director and Chief Executive Officer of the Company for a period of three years with effect from October 4, 2006.
4. Appointment of Mr. Manu Parpia as “Vice Chairman and Executive Director” for the period from October 4, 2006 to March 31, 2008.
5. Approval of issue of 1,850,000 stock options under Special ESOP Scheme 2006.
6. Extending the benefits of Special ESOP Scheme 2006 to the senior employees and Directors of subsidiaries of the Company.
7. Approval of grant of 1,400,000 stock options to Dr. Ravi Gopinath, Managing Director and Chief Executive Officer under Special ESOP Scheme 2006.
8. Issue of 350,000 warrants convertible into equivalent number of equity shares to Mr. Manu Parpia on preferential issue basis.

8. Means of Communication

- a. The quarterly, half-yearly and full year audited results are published in the Business Standard and Free Press Journal and Nav Shakti.
- b. The financial results and other corporate information are displayed on the Company's website - www.geometricglobal.com. The website also displays official news releases.
- c. The presentation made to institutional investors, or to the analysts is also put on the website of the Company.

9. General Shareholder Information

a. Annual General Meeting:

Date and Time : August 4, 2008, at 3.30 p.m.
Venue : Plant 6, Pirojshanagar, Vikhroli (W), Mumbai 400 079

b. Financial Calendar:

The Company follows April-March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

c. Date of Book Closure:

July 29, 2008 to August 4, 2008 (both days inclusive)

REPORT ON CORPORATE GOVERNANCE (Contd..)

d. Dividend Payment Date:

August 11, 2008

e. Listing on Stock Exchanges:

The Company's shares are listed on the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd. The Company has paid Listing Fees to the Stock Exchanges within the prescribed time.

f. Stock Code/Symbol

NSE - GEOMETRIC

BSE - 532312

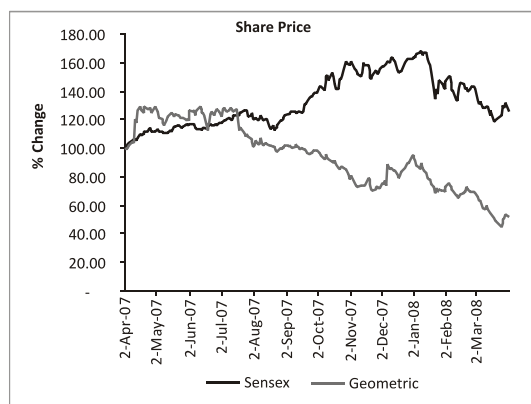
ISIN - INE797A01021

g. Market Price Data:

The monthly high and low quotations of shares traded on the National Stock Exchange of India Ltd. during each month in last financial year are as follows:

Month	High (Rs.)	Low (Rs.)
April 2007	133.70	93.25
May 2007	128.00	99.50
June 2007	132.30	108.50
July 2007	128.80	101.55
August 2007	109.00	94.85
September 2007	103.45	94.95
October 2007	99.00	68.20
November 2007	85.90	69.45
December 2007	94.70	67.15
January 2008	96.00	66.00
February 2008	77.00	64.00
March 2008	67.80	42.95

h. Performance in comparison to broad – based indice of BSE Sensex is as under:



i. Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They attend to share transfer formalities at least once in 15 days.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

j. Category wise Shareholding as at March 31, 2008:

Category	No. of Shares	Percentage
Godrej & Boyce Mfg. Co. Ltd. (Promoter Co.)	11,275,000	18.16
Godrej Investments Pvt. Ltd. (PAC)	3,100,000	4.99
Directors and Their Relatives	5,407,405	8.70
Foreign Corporate Bodies	2,100,000	3.38
Other Bodies Corporate	3,068,823	4.94
Foreign Institutional Investors	8,253,385	13.28
Financial Institutions (G.I.C & L.I.C)	1,533,908	2.47
Venture Fund/ Private Equity Funds	3,867,075	6.23
Mutual Funds	6,152,960	9.91
Non-Resident Indians (Repatriable)	608,320	0.98
Clearing Members	167,061	0.27
General Public	16,563,163	26.67
Banks	2,440	0.003
Trusts	4,020	0.01
TOTAL	62,103,560	100

k. Distribution of Shareholding as at March 31, 2008:

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Share Capital Amount (Rs.)	Total
1 - 5,000	26711	97.28	12,647,006	10.18
5,001 - 10,000	312	1.13	2,248,918	1.81
10,001 - 20,000	170	0.62	2,484,268	2.00
20,001 - 30,000	62	0.23	1,552,812	1.25
30,001 - 40,000	44	0.16	1,534,624	1.24
40,001 - 50,000	38	0.14	1,755,702	1.41
50,001 - 100,000	51	0.19	3,800,858	3.06
100,001 - 99,999,999	69	0.25	98,182,932	79.05
TOTAL	27457	100	124,207,120	100

l. Dematerialisation of Shares and Liquidity:

About 92.78% of the shares have been dematerialized as on March 31, 2008. The equity shares of the Company are traded in the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE).

REPORT ON CORPORATE GOVERNANCE (Contd..)

m. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs. The Company has 350,000 convertible warrants outstanding issued to Mr. Manu Parpia, one of the promoters and founder and Vice Chairman of the Company on preferential issue basis. Each warrant shall be convertible into 1 equity share of Rs. 2 (Rupees Two only) each at a price determined in accordance with clause 13.1.1.1 read with clause 13.1.2.1(b) of the preferential issue guidelines. The warrants have vested on March 2, 2007 and Mr. Manu Parpia is entitled to apply for shares against conversion of these warrants at any time before expiry of 18 months from the date of issue of the warrants. Mr. Manu Parpia has paid an amount equivalent to 10% of the price calculated in accordance with Preferential Issue Guidelines. This amount of 10% is to be adjusted against the price payable subsequently for acquiring the shares on conversion. This amount is subject to forfeiture if the option to convert the warrants to shares is not exercised within the validity period. Post conversion of warrants into equity shares (assuming full conversion), Mr. Parpia will hold 5,305,405 equity shares representing approx. 8.49% of the post preferential issue paid up capital of the company.

n. Registrar and Share Transfer Agents:

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup, Mumbai-400078.

o. Plant Locations:

The Company's development offices are located at:

Mumbai:

1. Geometric. Ltd.
Plant 6, Pirojshanagar,
Vikhroli (West), Mumbai 400 079.

Pune:

1. Geometric. Ltd.
Plot No. 15 B, Pune Info Tech Park,
Taluka – Mulshi, Hinjwadi, Pune 411 057.
2. Geometric. Ltd. - Unit II
Plot No.4, 5, 6 and 8
Pune Info Tech Park,
Taluka – Mulshi, Hinjwadi, Pune 411 057.

Bangalore :

1. Geometric Ltd.
RMZ NXT, Campus 1A
Unit 101 & 102, First Floor,
Whitefield Road, Sonnehalli Village,
Bangalore- 560 066

p. Address for Investor Correspondence:

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of

address, non-receipt of dividend or any other query relating to shares:

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup, Mumbai-400078.
Tele: 022 – 25963838
Fax: 022 – 25946969 / 25960329

For general correspondence:

Geometric. Ltd.
Plant No. 6, Pirojshanagar,
Vikhroli (West), Mumbai 400 079.
Tel: 022 – 67056500
Fax: 022 – 67056891
Email: investor-relations@geometricglobal.com

10. Other Disclosures

- a. The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc. which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2008.
- b. The Company has complied with the requirements of regulatory authorities on capital markets and no penalty / stricture was imposed on the Company during the last three years.
- c. The Company has put in place a Whistle Blower Policy and same has been put on the website of the Company and that no employee has been denied access to the Audit Committee
- d. The Company has complied with the non-mandatory requirements relating to remuneration Committee and Whistle Blower Policy to the extent detailed above. The financial statements of the Company are unqualified.

CODE OF CONDUCT DECLARATION

Pursuant to clause 49 1(D) of the Listing Agreement entered into with Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with Code of Conduct from all the Board members and senior management personnel of the Company.

Dr. Ravi Gopinath

Managing Director and Chief Executive Officer.

Mumbai
April 18, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management of Geometric Limited (Geometric) accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used in preparing the financial statements.

A. Business Environment and Outlook

Geometric operates in the Engineering technology and services segment (referred to as Engineering Services in the discussion and analysis report, covering product realization services and solutions, such as Product Lifecycle Management, Software Product Development and Global Engineering services) which has been identified by NASSCOM as a distinct market for Indian technology services companies. According to NASSCOM this is still a nascent segment; with offshoring currently accounting for nearly 2 – 3% of the worldwide spend on Engineering.

India's advantage lies in the large pool of english speaking engineering graduates (who have traditionally formed the talent pool for the IT Services segment), time zone differences between India and most of the developed markets that need such services, enabling extended engineering hours and hence a significant productivity advantage. Though engineering services are driven primarily by the objective of cost advantages as in other services (IT and BPO), there is an increasing trend of global customers looking at faster time to market, access to a large sourcing pool for talent as well as materials, and expansion into newer markets imperatives while planning such initiatives.

Over 150 multinational companies have launched offshore engineering strategies over the past 3-5 years and are now assessing the scalability (both in terms of capacity and competency spread) possible in offshore engineering, having leveraged the initial advantages (primarily cost arbitrage). This has brought into focus many of the barriers to scaling traditional offshore engineering.

Some of the barriers for the segment to scale continue to be the perception of risk associated with inadequate domain expertise to handle higher complexity tasks without a high degree of supervision by the customer, thus adding to the 'hidden costs' of such programs. The other barriers for scaling is access to high end testing and prototyping facilities which are crucial in offering end to end engineering services (a design has to be tested and prototyped successfully for it to be considered ready for manufacturing) and thorough understanding of leverage of various technologies used for product realization.

Customers hence are increasingly looking for services providers who can offer them the benefits of global services for cost advantage, benchmark quality processes to drive standardization, traceability and scalability across delivery locations, domain expertise to handle greater complexity and program management responsibility, and capabilities

on technology that can result in productivity gains.

Geometric is uniquely positioned to leverage the opportunities in this segment, with strong domain expertise in specific segments; a global delivery infrastructure (with access to talent in the US, Western and Central Europe, India and China; strong capabilities in the engineering technology arena with development relationships with all the major PLM technology players and its own IPR that delivers unique productivity solutions into engineering and manufacturing processes.

B. Opportunities and Threats

The significant opportunities that Geometric sees for growth and the achievement of its near term and long term goals are based on the following:

1. Industries show continued emphasis on global engineering and the leverage of associated technology across sectors in all markets, with a view to increased efficiencies in engineering and manufacturing processes. The global market for Engineering technology and services has been showing a positive trend in the last few years.
2. Geometric offers its customers a true Global Engineering service delivery model that is unique in this segment, combining deep domain expertise in proximity locations coupled with process and task level scalability in near-shore and offshore locations. This will allow Geometric to address most of the risks associated with traditional offshore engineering and hence present a better long-term value proposition to customers.
3. Extension of Geometric' core strengths in PLM to cover adjacencies in manufacturing and supply chain processes has opened up significant vistas and we are seeing early trends of success through engagement with marquee customers in delivering cutting edge solutions.

The main threats to the growth of the Company will come from:

1. Foreign exchange rate fluctuations. As the company uses India as a major source of manpower, the exchange rate of the Rupee vis-à-vis the US Dollar and other currencies could affect its ability to compete, and have short term impact on profitability. Geometric attempts to minimize the risk by diversifying the currency in which it invoices its customers and by taking forward covers where appropriate. In addition, as the direct sales initiative takes hold, Geometric will attempt to secure a large number of fixed price contracts where it can drive increased leverage of offshore services and productivity measures, which will drive up profitability.
2. Increased emphasis by customers on low cost captive centers, motivated by IP risks and a predisposition to keep as much engineering activity in house while leveraging the advantages of an offshore model. Geometric will aim to mitigate this risk by offering mission critical or core activities at a proximity center or

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd..)

within the customer's premises to address IP risk, which is possible through its Global Engineering service delivery model. In addition, Geometric can also offer captive centers technology solutions that will enable them to operate more efficiently within the customer's global network.

3. Increasing trend seen with global customers in offshoring engineering services work through their captive centers in India to service providers, at rates prevalent for the domestic market, thereby creating pressure on the margins and reducing the cost arbitrage advantage that service providers avail.
4. Rising cost of talent due to a high level of pull between various segments such as IT, BPO, Engineering services and Manufacturing could pose margin pressures and reduce offshoring attractiveness. Geometric aims to mitigate these risks by leveraging its global delivery base to access talent in multiple global as well as low cost locations and leverage technology to facilitate cross-location collaboration.
5. Downturns in the industries and markets that Geometric services. The dominant customer base will continue to be the manufacturing sector. Any downturn in the manufacturing sector overall, or in any one region, or in any specific industry, could have both top line and bottom line impact. Geometric is diversifying its customer base to include other industry segments like the oil and gas industry, the apparel industry, the transportation industry and the FMCG sector, to mitigate this risk. The diversification will also provide Geometric early mover advantage as a provider of Global Engineering services and technology to these sectors.

C. Segment-wise Reporting

Geometric has organized its business into two distinct segments; Projects & Products

i. Projects

1. Software Solutions and Services

Software Solutions and Services include development, deployment and support of bespoke and packaged applications that digitize the extended PLM environment.

- a. The PLM solutions business has been increasingly targeting direct engagements with the end-users of PLM, and is positioning itself as a global systems integrator. The business has executed several large global PLM implementations world-wide in FY08. The business has also made forays into newer verticals such as Oil and Gas, Ship building, Apparel and Hi-tech. New services have been added to the portfolio in the past year, linking the traditional PLM domain with the extended PLM environment of manufacturing and supply chain.

- b. Software Product Lifecycle Services (SPLS) offers

architecture, development, industrialization and support services to software product companies. The business continues to grow its existing engagements and relationships steadily, while adding new customers across the extended PLM environment. The business has started supporting companies in the Manufacturing Solutions arena and is developing further partnerships based on consolidation in the PLM space. The business successfully made forays into newer verticals such as Metrology and Industrial automation.

- c. The JV with Dassault Systèmes, 3DPLM has delivered robust performance and continues to be strong driver of growth for the company.

2. Engineering Solutions and Services

Engineering Solutions and Services support the engineering and manufacturing processes of industrial customers through a seamless global delivery model. This business offers high-end product engineering and manufacturing engineering expertise. The company was able to successfully turn around this business from a cost management perspective. This business has seen constrained growth on account of project delays from its major customers in Detroit. The Company has launched an initiative to drive increased offshoring to low cost locations in Central Europe, China and India to improve profitability and leverage its capability in high cost locations to provide high end services.

ii. Products

Products include interoperability solutions that integrate engineering, manufacturing and asset management applications within and across PLM and other enterprise systems; and productivity point solutions for engineering and manufacturing. The Products business is seen as a significant differentiator for the services business. Geometric's interoperability framework has been certified for integration between almost all the major PLM platforms, and significantly differentiates the systems integration offering of PLM Solutions. Desktop products and technologies for point productivity solutions bring value-added differentiation for the Engineering Solutions and Services business and its offerings, and have delivered measurable value in engagements executed in FY08 and are instrumental in differentiating our solutions are services in the systems integration space.

D. Outlook

The company had launched a number of strategic initiatives in the year and plans to build on these to achieve continuous improvement and steady business performance in the coming year.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd..)

E Risks and Concerns

The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings and exchange rates, the company's ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed price contracts, client concentration, restrictions on immigration, our ability to manage our international marketing & sales operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, liability for damages on our service contracts & product warranty, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies outside India, and unauthorized use of our and our customers' intellectual property, the latter when in our possession as well as general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements and our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

F. Internal Control Systems and their Adequacy

The company has adequate internal control systems and procedures commensurate with its size and nature of business. All areas of the company's operations are covered by such internal control systems including sale of software, purchase of fixed assets and equipments, other purchases, fixed assets accounting, personnel expenditure related processes etc. An independent firm of Chartered Accountants has been appointed as the Internal Auditors of the Company and the Audit Committee has accepted their reports and the recommendations, where feasible, have been implemented. The Company has implemented SAP- a world class ERP system to serve as the information backbone and to further strengthen internal controls in the company.

G. Discussion on financial performance with respect to operational performance.

(I) Financial condition

Sources of funds

1. Share Capital

At present, we have only one class of shares – equity shares of par value Rs. 2 each. Our authorized share capital is Rs. 160 million, divided into 80 million equity shares of Rs. 2 each.

During the year 175,565 equity shares of Rs 2 each have been issued under various Employee and Directors Stock Option Plans. Consequently, the issued, subscribed and outstanding shares increased to 62,103,560 from 61,927,995 and share capital increased to Rs. 124,207,120 from Rs. 123,855,990.

2. Reserves and Surplus

A summary of reserves and surplus is provided in the table below:

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Security Premium Account	641,148	632,736	641,148	632,736
Cash Flow Hedges Reserve	(17,793)	-	(20,953)	-
General Reserve	120,340	97,995	196,569	149,725
Foreign currency translation Reserve	-	-	348	-
Employee Stock Options Outstanding	-	60	-	60
Profit and Loss Account—Surplus	1,257,985	1,124,278	1,526,581	1,330,524
	2,001,679	1,855,068	2,343,693	2,113,044

The addition to the share premium account of Rs. 8,412,350 during the year is on account of premium received on issue of 175,565 equity shares, on exercise of options under various Employee and Directors Stock Option Plans.

We use foreign currency forward contracts to hedge risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. We designate these as Cash Flow Hedges. Foreign currency forward contracts are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Cash Flow Hedging Reserve.

As on March 31, 2008, We booked a loss of Rs.17,793,000 (Unconsolidated) and Rs. 20,953,292 (Consolidated) under Shareholder's Funds in the Cash Flow Hedging Reserve as diminution in fair value of derivative instruments.

3. Secured Loans

As on March 31, 2008, Total Loan funds outstanding are Rs. 794,332,145 (Consolidated) as compared to Rs. 918,998,282 (Consolidated) in Previous Year.

During the year the Company has availed the following loans:

(Amount in '000 Rupees)

	Geometric Limited	Geometric Americas	Geometric Engineering
Loan from Citi Bank	56,772	318,720	-
Loan from ICICI Bank	-	-	319,240
Loan from HSBC Bank	99,600	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd..)

4. Deferred tax Liability

We recorded deferred tax liability of Rs. 41,728,260 (unconsolidated) and Rs. 40,574,530 (consolidated) as of March 31, 2008 (Rs. 36,570,084 (unconsolidated) and Rs. 44,125,337 (consolidated) as of March 31, 2007). Deferred tax liability represents timing differences in the financial and tax books arising from depreciation on assets (causing deferred tax liability) and provision for Bonus and others (causing deferred tax asset).

Application of funds

5. Fixed assets

A statement of movement in fixed assets is given below:

(Amount in '000 Rupees)

Particulars	Unconsolidated			Consolidated		
	Current Year	Previous Year	Growth (%)	Current Year	Previous Year	Growth (%)
Leasehold Land	50,367	50,367	-	50,367	50,367	-
Buildings	334,988	331,010	1.20	335,318	331,010	1.30
Leasehold Improvement	-	-	-	4,928	4,795	2.78
Computers	120,461	271,292	(55.60)	551,246	655,352	(15.89)
Electrical Installations	205,970	202,772	1.58	214,988	211,646	1.58
Office Equip. and EPABX	45,788	41,659	9.91	70,876	64,004	10.74
Furniture and Fixtures	216,704	202,330	7.10	254,858	238,202	6.99
Vehicles	5,732	5,047	13.59	5,733	5,047	13.59
Computer Software	152,498	96,482	58.06	258,269	174,897	47.67
Goodwill	-	-	-	1,300,943	1,240,932	4.79
Gross Block	1,132,510	1,200,960	(5.70)	3,047,526	2,976,251	2.37
Less: Accumulated Dep.	436,780	430,061	1.56	852,932	772,176	10.46
Net Block	695,730	770,899	(9.75)	2,194,594	2,204,075	(0.46)
Add: Capital WIP	1,056	4,820	(78.10)	1,056	4,949	(78.67)
Net Fixed Assets	696,786	775,719	(10.18)	2,195,650	2,209,025	(0.63)

a. Capital expenditure

We incurred an amount of Rs. 197,836,164 (consolidated)(excl. Goodwill) (Rs. 258,921,916 in the previous year) as capital expenditure comprising of additions to gross block of Rs. 196,780,571 and Rs. 1,055,593 on account of increase in capital work in progress.

b. Additions to gross block

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Total Addition to Gross Block	86,310	150,935	196,781	253,973
Out of which, Investment in Technology Assets	58,617	109,506	163,044	206,672

The Company has verified the assets and where required the technology assets have been replaced, where necessary.

c. Retirement of assets

During the year, we retired / transferred various assets with a gross block of Rs. 185,517,052 (consolidated) and a net book value of Rs. 68,509,772 (consolidated). Included in the above, is the donation of computer systems costing Rs. 4,494,356 (book value Rs. nil). During the previous year, we retired / transferred various assets with a gross block of Rs. 75,343,780 (consolidated) and a net book value of Rs. 20,419,669 (consolidated).

6. Investments

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Investments in Mutual Funds	50,036	30,014	148,036	89,446
Investments in Subsidiaries	724,188	724,188	-	-
Other trade Investments	30,959	30,959	30,959	30,959

We have made investments in units of various debt-based liquid or floater mutual funds. This represents surplus funds of the organization parked with these mutual fund schemes, which can be recalled at very short notice.

During the year, we increased our stake in Geometric Engineering from 95 % to 100 % and in Geometric Technologies from 83% to 100% through Geometric Americas, Inc., thus, making both of them our wholly owned subsidiaries.

7. Sundry Debtors

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Sundry Debtors	231,785	237,575	787,358	746,674
Days sales Outstanding (DSO)	48	49	59	70
Debtors as a % of revenue	13%	14%	16%	19%

These debtors are considered good and realizable, and provision has been made for all doubtful debts

The age profile of outstanding receivables is as given below:

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
0 – 30	64%	87%	21%	70%
31 – 60	30%	7%	20%	22%
61 – 90	2%	3%	6%	4%
More than 90	4%	3%	53%	4%
Total	100%	100%	100%	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd..)

Provisions are made for all debtors outstanding for more than 180 days. For the year ended on March 31, 2008, Debtor's amounting Rs. 7,698,848 (unconsolidated) and Rs. 17,531,669 (consolidated), are outstanding for more than 180 days.

8. Cash & Bank Balances

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Cash balances	-	-	59	1
Current Accounts	33,700	15,516	60,196	23,306
Deposit Accounts	3,427	3,427	9,457	9,457
Foreign currency accounts (EEFC)	35,604	8,249	162,159	112,783
Unclaimed dividend account	1,481	1,627	2,541	1,627
Investment in liquid mutual funds reported under investments	50,036	30,014	148,036	89,446
Total cash & cash equivalent	124,249	58,834	382,390	236,620
Cash & cash equivalent/assets	5.21%	2.64%	11.16%	7.22%
Cash & cash equivalent/revenues	6.17%	2.98%	7.55%	6.00%

The bank balances in EEFC accounts are generally used for a) import of technology assets, b) to meet the remittance requirements of overseas subsidiary/branches, c) for strategic investments and d) to meet other operational expenditure overseas.

9. Loans and Advances

Loans and Advances are primarily towards amounts paid in advance for value and services to be received in future. Advance payment of taxes represents payments made towards tax liability for the past years, tax deducted at source and refunds due for previous years. The Company's liability towards income tax has been fully provided.

Sundry deposits represent deposit towards telephone, rent, electricity, lease and other deposits.

Loans to employees are made to enable the purchase of assets by employees and to meet any emergency requirements.

During the year, the company granted loan amounting to Rs. 154,786,800 to Geometric Americas, Inc (formerly Geometric Software Solutions Inc). As on March 31, 2008, total loans granted to Geometric Americas, Inc. stands at Rs. 248,302,800. and loans granted to Geometric Technologies, Inc. (Teksoft, Inc.) stands at Rs. 1,497,941.

Unamortized forward cover premium represents the amount of gain on mark-to-market valuation of the forward covers taken by the Company.

10. Current liabilities

Sundry creditors represent the amount payable to vendors for the supply of goods and services. There

are no amounts due to Small Scale units. Unclaimed dividends represent dividends paid but not encashed by shareholders. Other current liabilities include accrued salaries and benefits payable to the staff (including leave encashment) and amounts accrued for various other operational expenses. Advances and deposits are retention money deposits of various contractors.

11. Provisions

Provision for dividend represents proposed dividend recommended to the shareholders by the Board and would be paid after the Annual General Meeting upon approval by the shareholders.

Provision for dividend tax represents tax payable on proposed dividend.

Provision for Leave encashment represents amount calculated on the basis of an actuarial valuation and provision for Gratuity represents additional provision over gratuity fund made based on actuarial valuation.

(II) Financial Review

1. Income

The Company derives its income mainly from software services and the sale of software products. Other income consists of dividends from mutual funds, rent, gains on foreign exchange fluctuations and income from investment of surplus funds.

Details of the Business segmentation and Geographical segmentation of income are given below. This segmentation is based on the Consolidated Financial Statements of the company and its subsidiaries.

a. Business segmentation of total sales (Consolidated)

(Amount in '000 Rupees)

Particulars	Current Year	Previous Year	Current Year	Previous Year
	Rs.	%	Rs.	%
Projects (SS&ESS)	4,530,916	93%	3,420,675	89%
Products	327,421	7%	410,035	11%
Total	4,858,337	100%	3,830,710	100%

b. Geographical Segmentation of total sales (Consolidated)

(Amount in '000 Rupees)

Particulars	Current Year	Previous Year	Current Year	Previous Year
	Rs.	%	Rs.	%
USA	3,368,909	69%	2,404,500	63%
Europe	981,952	20%	1,125,640	29%
Asia Pacific	370,549	8%	205,690	5%
India	136,928	3%	94,880	2%
Total	4,858,337	100%	3,830,710	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd..)

2. Expenditure

2.1 Operating and Other Expenses (unconsolidated)

(Amount in '000 Rupees)

Particulars Current Year	Total Income	% to Previous Year	Total Income	% to Growth	
Personnel Expenses	1,114,896	55%	1,056,922	54%	5%
Travelling and Conveyance Expenses	111,468	6%	124,070	6%	-10%
Sales and Marketing Expenses	32,718	2%	26,342	1%	24%
Rent and Service Charges	76,421	4%	38,188	2%	100%
Royalty	27,140	1%	34,119	2%	-20%
Legal and Professional Charges	38,095	2%	50,928	3%	-25%
Electricity Expenses	32,639	2%	27,027	1%	21%
Repairs and maintenance	27,534	1%	34,285	2%	-20%
Other Expenses	176,351	9%	101,500	5%	74%
Total Operating Expenses and Other Expenses	1,637,262	81%	1,493,381	76%	10%
Total Income	2,012,287		1,972,864		

2.2 Operating and Other Expenses (Consolidated)

(Amount in '000 Rupees)

Particulars	Current Year	% to Total Income	Previous Year	% to Total Income	Growth
Personnel Expenses	3,275,462	65%	2,420,830	61%	35%
Travelling and Conveyance	213,342	4%	168,166	4%	27%
Legal and Professional Charges	90,439	2%	80,393	2%	12%
Rent and Service Charges	191,178	4%	99,357	3%	92%
Software Tools & Packages	61,918	1%	52,583	1%	18%
Insurance	113,139	2%	66,767	2%	69%
Electricity Expenses	53,217	1%	38,764	1%	37%
Repairs and maintenance	78,252	2%	82,411	2%	-5%
Royalty	66,603	1%	33,738	1%	97%
Other Expenses	221,206	4%	146,178	4%	51%
Total Operating Expenses and Other Expenses	4,364,757	86%	3,189,186	81%	37%
Total Income	5,061,743		3,942,629		

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (Contd..)

2.3 Depreciation

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation	93,197	121,340	197,621	212,278
% to gross block of assets	8%	10%	6.5%	7.1%
% to Sales: Software Packages & Services	5.4%	6.9%	5.5%	4.1%

3. Profit Before Tax

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Profit Before Tax	266,838	349,302	442,448	506,461
Sales: Software Packages & Services	1,723,670	1,753,200	4,858,337	3,830,710
PBT as a % to Sales: Software Packages & Services	15.48%	19.92%	9.11%	13.22%

4. Provision for Tax

Provision for deferred tax liability has been made in accordance with the Accounting Standard (AS- 22) issued by the Institute of Chartered Accountants of India.

H Material Developments in Human Resources

The Company continues its focus on attracting and retaining the best talent in the industry. Several technical and behavioral training programmes were organized during the year.

Number of people employed (consolidated):

Particulars	March 31, 2008	March 31, 2007
Production	2,637	1,944
Support	331	294
Total	2,968	2,238

REPORT OF THE AUDITORS

TO THE MEMBERS OF

GEOMETRIC LIMITED

1. We have audited the attached Balance Sheet of **GEOMETRIC LIMITED** (Formerly GEOMETRIC SOFTWARE SOLUTIONS COMPANY LIMITED), as at March 31, 2008, the Profit and Loss Account and the Cash Flow Statement of the Company 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 that our audit provides a reasonable basis for our opinion.
3. As stated in Note 5 (a) Schedule 12: Notes to Accounts, during the year the Company has changed the method of accounting for forward foreign exchange contracts taken to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. As a result of this change in policy, the profit for the year is higher by Rs. 17,793,000 and the Cash Flow Hedging Reserve reflects an amount of Rs. 17,793,000.
4. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to above, we 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 such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, 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 March 31, 2008;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of the written representations received from the Directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2008, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

KALYANIWALLA & MISTRY

CHARTERED ACCOUNTANTS

Daraius Z. Fraser

PARTNER

M. No.: 42454

Mumbai: April 18, 2008.

REPORT OF THE AUDITORS (Contd..)

Annexure to the Auditor's Report

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that:

1. Fixed Assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- The major assets have been physically verified by the management on a sample basis during the year and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- There has been no substantial disposal of fixed assets during the year which affects the going concern assumption.

2. The Company does not have any inventories.

3. Loans and advances:

- The Company has granted unsecured loans to two parties listed in the register maintained under section 301 of the Companies Act, 1956. The total maximum balance outstanding during the year was Rs. 249,800,741 and balance outstanding as at the year end was Rs. 249,800,741.
- In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to the above mentioned parties listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- The parties to whom the Company has granted loans are repaying the principal amounts as stipulated and have also been regular in the payment of interest.
- There is no overdue amount of loans granted to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of computers and other equipment and for the sale of software and services. During the course of our audit, no major weakness has been noticed in the internal control system.

5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:

- Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register maintained under that section.

- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for any of the activities of the Company.

9. Statutory Dues

- According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable. We are informed that the provisions of the Employees Provident Fund Act, 1952 and the Employees' State Insurance Act, 1948, are not applicable to the Company.
- According to the information and explanations given to us, the following dues have not been deposited by the Company on account of a dispute:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise and Customs Act, 1962	Duty Payable on items procured Duty Free.	115,650	Financial Years 1999 – 2000 and 2002 – 2003.	Commissioner of Central Excise (Appeals)
Central Excise and Customs Act, 1962	Excise duty exemption on electrical and light fittings.	57,168	Financial year 2002-03	Commissioner of Central Excise (Appeals)
Central Sales Tax, 1956	Sales tax dues on ex-party assessment	165,996	Financial year 2001-02	Deputy commissioner of sales tax assessment

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year or in the immediately preceding financial year.

REPORT OF THE AUDITORS (Contd..)

11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has given guarantees for loans taken by subsidiaries from banks. In our opinion, the terms and conditions of the guarantees are not prima-facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loan obtained by the Company was applied for the purpose for which the loan was obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Daraius Z. Fraser
PARTNER
 M. No.: 42454

Mumbai: April 18, 2008.

BALANCE SHEET AS AT MARCH 31, 2008

	SCHEDULE	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a. Share Capital	1	124,207,120		123,855,990
b. Share Application Money		446,466		26,363
c. Reserves And Surplus	2	2,001,679,321		1,855,067,742
			2,126,332,907	1,978,950,095
2. LOAN FUNDS				
a. Secured Loans	3		156,372,000	210,000,000
3. DEFERRED TAX LIABILITY (NET)	4		41,728,260	36,570,084
TOTAL			2,324,433,167	2,225,520,179
APPLICATION OF FUNDS:				
4. FIXED ASSETS	5			
a. Gross Block		1,132,509,878		1,200,959,661
b. Less: Depreciation		436,779,912		430,060,597
c. Net Block		695,729,966		770,899,064
d. Capital Work-in-Progress		1,055,593		4,819,725
			696,785,559	775,718,789
5. INVESTMENTS	6		805,183,143	785,161,277
6. CURRENT ASSETS, LOANS AND ADVANCES	7			
a. Sundry Debtors		231,785,477		237,575,007
b. Cash And Bank Balances		74,212,367		28,819,730
c. Other Current Assets		321,269,180		272,162,900
d. Loans And Advances		517,759,739		372,760,962
		1,145,026,763		911,318,599
7. Less: CURRENT LIABILITIES AND PROVISIONS	8			
a. Current Liabilities		254,754,240		178,994,592
b. Provisions		67,808,058		67,683,894
		322,562,298		246,678,486
8. NET CURRENT ASSETS			822,464,465	664,640,113
TOTAL			2,324,433,167	2,225,520,179

NOTES TO ACCOUNTS

12

The schedule referred to above form an integral part of the Balance Sheet.

As per our Report attached
or and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Signatures to the Balance Sheet and Schedules 1 to 8 and 12.
For and on behalf of the Board

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

G. Ravishankar
CHIEF FINANCIAL OFFICER

April 18, 2008.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees	Year Ended March 31, 2007 Rupees
INCOME:				
1. Sales - Software Packages & Services			1,723,669,641	1,753,199,996
2. Other Income	9		288,617,714	219,663,608
			2,012,287,355	1,972,863,604
EXPENDITURE:				
3. Operating And Other Expenses	10	1,637,261,703		1,493,380,939
4. Interest And Finance Charges	11	14,990,619		8,840,545
5. Depreciation		93,196,972		121,340,147
			1,745,449,294	1,623,561,631
PROFIT BEFORE TAX, AND PRIOR PERIOD ADJUSTMENTS:			266,838,061	349,301,973
6. Provision For Taxes				
a. Current Taxes				
- Indian Income Tax		26,500,000		26,600,000
- Foreign Taxes		4,294,035		7,646,841
b. Deferred Tax		5,158,176		2,018,547
c. Fringe Benefits Tax		7,436,365		4,469,000
			43,388,576	40,734,388
NET PROFIT AFTER TAX:			223,449,485	308,567,585
7. Tax Adjustments In Respect Of Prior Years			(9,259,056)	-
NET PROFIT:			214,190,429	308,567,585
8. Surplus Brought Forward			1,124,277,610	908,325,697
Less:				
9. Residual Dividend For Previous Fiscal			(10,216)	(3,242,049)
10. Dividend Tax Thereon			(1,736)	(454,697)
PROFIT AVAILABLE FOR APPROPRIATION:			1,338,456,087	1,213,196,536
APPROPRIATIONS:				
1. Proposed Dividend			49,682,848	49,542,396
2. Dividend Tax			8,443,600	8,419,730
3. Transfer To General Reserve			22,344,949	30,956,800
4. Surplus Carried Forward			1,257,984,690	1,124,277,610
TOTAL			1,338,456,087	1,213,196,536
EARNINGS PER EQUITY SHARE				
(Face value Rs. 2 each)	12 - (23)			
Basic			3.45	5.11
Diluted			3.43	5.01
NOTES TO ACCOUNTS				
	12			

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

As per our Report attached
or and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

J. N. Godrej
CHAIRMAN

Signatures to the Profit and Loss Account and Schedules 9 to 12.
For and on behalf of the Board

Manu Parpia
FOUNDER & VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

G. Ravishankar
CHIEF FINANCIAL OFFICER

April 18, 2008.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax		266,838,061	349,301,973
Adjustment for:			
Depreciation	93,196,972		121,340,147
(Profit) / Loss on Sale of Fixed Assets	667,624		445,908
(Profit) / Loss on Sale of Investments	(106,169)		(790,993)
Interest Expense	14,990,619		8,840,545
Interest Income	(14,388,015)		(2,734,099)
Dividend Income	(106,841,465)		(127,242,368)
(Including Rs. 1,067,965 Reinvested; - previous year Rs. 12,051,677)			
Others	(5,980)		-
		(12,486,414)	(140,860)
Operating Cash Flows Before Working Capital Changes		254,351,647	349,161,113
Working Capital Changes:			
Sundry Debtors	5,789,530		(6,694,303)
Loans and Advances	1,865,224		(133,718,343)
Other Current Assets	(49,005,160)		(200,501,555)
Adjustment for Cash Flow Hedging Reserve	(17,793,000)		-
Current Liabilities and Provisions	75,860,477		34,171,076
		16,717,071	(306,743,125)
Cash Generated from Operations		271,068,718	42,417,988
Income Taxes Paid		(38,068,716)	(41,016,201)
Net Cash Flow from Operating Activities		233,000,002	1,401,787
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(82,545,811)		(111,553,974)
Sale of Fixed Assets	67,614,445		18,490,304
Purchase / Reinvestment of Investments	(1,161,567,965)		(2,887,851,876)
(Including Rs. 1,067,965 Reinvested; - previous year Rs. 12,051,677)			
Further Investment in Subsidiary Company		-	(634,795,000)
Sale / Redemption of Investments	1,141,652,268		2,924,412,437
Loans to Subsidiaries Repaid / (Given)	(156,284,741)		(90,143,215)
Dividend Received	106,841,465		127,242,368
(Including Rs. 1,067,965 Reinvested; - previous year Rs. 12,051,677)			
Interest Received	14,286,895		2,559,665
Net Cash Used in Investing Activities		(70,003,444)	(651,639,291)
Balance carried forward		162,996,558	(650,237,504)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
Balance Brought Forward		162,996,558	(650,237,504)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital / ESOPs	9,129,763		515,852,600
Borrowings from Bank	437,951,154		210,000,000
Repayment of Bank Borrowings	(491,579,154)		-
Interest Paid	(14,990,619)		(8,766,192)
Dividend Paid	(49,693,599)		(48,146,126)
Dividend Tax Paid	(8,421,466)		(6,811,702)
Net Cash (Used) / Raised in Financing Activities		(117,603,921)	662,128,580
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		45,392,637	11,891,076
CASH AND CASH EQUIVALENTS:			
AS AT THE BEGINNING			
Cash and Bank Balances		28,819,730	16,928,654
AS AT THE ENDING			
Cash and Bank Balances		74,389,399	28,873,586
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		(177,032)	(53,856)
		74,212,367	28,819,730
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		45,392,637	11,891,076

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

J. N. Godrej
CHAIRMAN

For and on behalf of the Board

Manu Parpia
FOUNDER & VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

G. Ravishankar
CHIEF FINANCIAL OFFICER

April 18, 2008.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 1: SHARE CAPITAL			
1. AUTHORISED:			
80,000,000 Equity shares (previous year			
80,000,000 equity shares) of Rs. 2/- each.		160,000,000	160,000,000
2. ISSUED, SUBSCRIBED AND PAID UP:			
62,103,560 Equity shares of Rs. 2/- each (previous year			
61,927,995 equity shares of Rs. 2/- each) fully paid up.		124,207,120	123,855,990
TOTAL		124,207,120	123,855,990

Notes:

- Of the above, 14,250,000 equity shares have been allotted as fully paid up bonus shares by capitalisation of surplus in the Profit and Loss Account and 27,582,470 equity shares have been allotted as fully paid up bonus shares from share premium account.
- During the year, 167,065 (previous year 1,357,625) equity shares of Rs. 2 each have been issued under the Employee Stock Option Plans and 8,500 (previous year 45,500) equity shares of Rs. 2 each have been issued under the Directors' Stock Option Scheme of the Company.
- During the year, the Company has made a preferential issue of Nil (previous year 3,867,075) equity shares of Rs. 2 each.

SCHEDULE 2: RESERVES AND SURPLUS

1. SECURITIES PREMIUM ACCOUNT			
As per last Balance Sheet	632,735,768		127,449,931
Received During the Year	8,412,350		505,285,837
		641,148,118	632,735,768
2. CASH FLOW HEDGING RESERVE			
As per last Balance Sheet	-		-
Add: Amount recognised during the year	(17,793,000)		-
		(17,793,000)	-
3. GENERAL RESERVE			
As per last Balance Sheet	97,994,564		67,037,764
Add: Transfer from Profit and Loss Account	22,344,949		30,956,800
		120,339,513	97,994,564
4. EMPLOYEE STOCK OPTIONS OUTSTANDING		-	59,800
5. PROFIT AND LOSS ACCOUNT - SURPLUS		1,257,984,690	1,124,277,610
TOTAL		2,001,679,321	1,855,067,742

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 3: SECURED LOANS			
1. BORROWINGS FROM BANKS			
a) Short Term Loan		156,372,000	210,000,000
(Secured by hypothecation of book debts)			
TOTAL		156,372,000	210,000,000
SCHEDULE 4: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
Depreciation on Fixed Assets		47,683,643	41,004,588
2. Deferred Tax Asset			
a) Provision for Bonus	(1,084,092)		(2,311,765)
b) Others	(4,871,291)		(2,122,739)
		(5,955,383)	(4,434,504)
TOTAL		41,728,260	36,570,084

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 5: FIXED ASSETS

(In Rupees)

ASSET	GROSS BLOCK			As at 31-Mar-08	DEPRECIATION			NETBOOK		
	As at 1-Apr-07	Additions	Deductions		Up to 31-Mar-07	For the Year	On Deductions	Up to 31-Mar-08	As at 31-Mar-08	As at 31-Mar-07
Leasehold Land	50,367,395	-	-	50,367,395	2,524,084	542,143	-	3,066,227	47,301,168	47,843,311
Buildings	331,010,236	3,978,156	-	334,988,392	39,900,472	11,340,356	-	51,240,828	283,747,564	291,109,764
Computers	271,292,132	2,600,500	153,432,130	120,460,502	191,125,174	4,113,457	85,994,140	109,244,491	11,216,011	80,166,958
Electrical Installations	202,772,243	3,197,867	-	205,970,110	79,076,299	23,900,237	-	102,976,536	102,993,574	123,695,944
Office Equipment and EPABX System	41,659,241	4,129,171	-	45,788,412	16,142,526	3,730,153	-	19,872,679	25,915,733	25,516,715
Furniture and Fixtures	202,329,837	14,374,520	-	216,704,357	67,767,831	20,118,931	-	87,886,762	128,817,595	134,562,006
Vehicles	5,046,544	2,013,362	1,327,596	5,732,310	938,381	549,650	483,517	1,004,514	4,727,796	4,108,163
Intangible Assets:										
- Computer Software	96,482,033	56,016,367	-	152,498,400	32,585,830	28,902,045	-	61,487,875	91,010,525	63,896,203
TOTAL	1,200,959,661	86,309,943	154,759,726	1,132,509,878	430,060,597	93,196,972	86,477,657	436,779,912	695,729,966	-
Previous Year	1,086,555,518	150,935,012	36,530,869	1,200,959,661	326,315,107	121,340,147	17,594,657	430,060,597	-	770,899,064
Capital Work-in-Progress including Capital Advances									1,055,593	4,819,725
TOTAL									696,785,559	775,718,789

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 6: INVESTMENTS

Previous Year	Current Year		Face Value		Current Year	Previous Year
Nos.	Nos.		Rs.	Rupees	Rupees	Rupees
1. IN UNITS OF MUTUAL FUNDS						
Current Investments (At lower of cost and market value)						
Quoted, Non Trade						
-	2,000,000	HDFC FMP 90D February 2008 VII(2)	10	20,000,000		-
-	2,000,000	Wholesale Plan Dividend Payout Purchased during the year				
-	1,999,460	Sundaram BNP Paribas Interval Fund	10	20,000,000		-
-	1,999,460	Plan B Quarterly Inst Dividend Purchased during the year				
-	1,003,627	BSL Interval Income Instl Monthly	10	10,036,300		-
-	1,000,000	Series 2 Dividend Purchased during the year				
	3,627	Dividend Reinvested during the year				
2,985,574	-	Birla Sweep Fund Dividend	10	-		30,014,434
	-	Reinvestment				
188,424,518	99,994,003	Purchased during the year				
172,449	86,884	Dividend Reinvested during the year				
188,239,083	103,066,461	Sold during the year				
-	-	DSP Merrill Lynch Floating Rate	10	-		-
	-	Quarterly Dividend Reinvestment				
466	-	Dividend Reinvested during the year				
25,098	-	Sold during the year				
-	-	DSP Merrill Lynch Floating Rate	10	-		-
	-	Fund Weekly Dividend Reinvestment				
32	-	Dividend Reinvested during the year				
1,330	-	Sold during the year				
-	-	Prudential ICICI Liquid Plan	10	-		-
	-	Daily Dividend Reinvestment				
8,944,091	-	Purchased during the year				
169,845	-	Dividend Reinvested during the year				
9,113,936	-	Sold during the year				
-	-	Templeton India TMA Daily	10	-		-
	-	Dividend Reinvestment				
60,172	-	Purchased during the year				
165	-	Dividend Reinvested during the year				
73,610	-	Sold during the year				
-	-	Birla Cash Plus Retail Daily Dividend	10	-		-
	-	Reinvestment				
1,405,061	-	Purchased during the year				
8,569	-	Dividend Reinvested during the year				
1,413,630	-	Sold during the year				
Balance carried forward				50,036,300	-	30,014,434

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 6: INVESTMENTS (Contd.)

Previous Year	Current Year		Face Value		Current Year	Previous Year
Nos.	Nos.		Rs.	Rupees	Rupees	Rupees
		Balance brought forward			50,036,300	30,014,434
IN UNITS OF MUTUAL FUNDS (Contd.)						
<i>Current Investments (At lower of cost and market value)</i>						
<i>Quoted, Non Trade</i>						
-	-	DSP Merrill Lynch Liquidity Fund Daily	10	-		-
-	-	Regular Dividend Reinvestment				
10,589,410	19,996	Purchased during the year				
203,039	77	Dividend Reinvested during the year				
10,792,449	20,073	Sold during the year				
-	-	HDFC Cash Management Fund - Saving	10	-		-
-	-	Plan Daily Dividend Reinvestment				
9,965,778	-	Purchased during the year				
208,685	-	Dividend Reinvested during the year				
10,174,463	-	Sold during the year				
-	-	Principal Cash Management Fund	10	-		-
-	-	Liquid Option Dividend Reinvestment Daily				
9,097,999	-	Purchased during the year				
179,818	-	Dividend Reinvested during the year				
9,277,816	-	Sold during the year				
-	-	Reliance Fixed Horizon Fund Monthly	10	-		-
-	-	Plan A Series III Dividend Option				
9,100,000	-	Purchased during the year				
40,357	-	Dividend Reinvested during the year				
9,140,357	-	Sold during the year				
-	-	Reliance Fixed HorizonFund Monthly Plan	10	-		-
-	-	Series IV - Dividend Option				
9,140,357	-	Purchased during the year				
42,178	-	Dividend Reinvested during the year				
9,182,535	-	Sold during the year				
-	-	Reliance Fixed HorizonFund Monthly Plan	10	-		-
-	-	Series V - Dividend Option				
9,182,536	-	Purchased during the year				
43,047	-	Dividend Reinvested during the year				
9,225,583	-	Sold during the year				
-	-	Reliance Fixed HorizonFund Monthly Plan	10	-		-
-	-	Series VI - Dividend Option				
9,225,583	-	Purchased during the year				
45,948	-	Dividend Reinvested during the year				
9,271,531	-	Sold during the year				
-	-	Reliance Liquidity Fund Daily	10	-		-
-	-	Dividend Reinvestment Option				
9,268,672	-	Purchased during the year				
14,533	-	Dividend Reinvested during the year				
9,283,205	-	Sold during the year				
					50,036,300	30,014,434
		Balance carried forward			50,036,300	30,014,434

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 6: INVESTMENTS

Previous Year	Current Year		Face Value		Current Year	Previous Year
Nos.	Nos.		Rs.	Rupees	Rupees	Rupees
		Balance brought forward			50,036,300	30,014,434
IN UNITS OF MUTUAL FUNDS (Contd.)						
<i>Current Investments (At lower of cost and market value)</i>						
<i>Quoted, Non Trade</i>						
-	-	Birla Sun Life Liquid Plus Institutional	10	-		-
-		Fortnightly Dividend Reinvestment				
	5,222,031	Purchased during the year				
	3,392	Dividend Reinvested during the year				
	5,225,423	Sold during the year				
-	-	HDFC Cash Management Fund Savings	10	-		-
-		Plan Plus Retail Daily Dividend				
	2,990,579	Purchased during the year				
	4,563	Dividend Reinvested during the year				
	2,995,142	Sold during the year				
2. EQUITY SHARES IN SUBSIDIARY COMPANIES						
<i>Long Term (At Cost) Unquoted, Trade</i>						
50,000	50,000	No Par Value Common Shares of US \$ 1 each in Geometric Americas, Inc. (formerly Geometric Software Solutions, Inc.) - a wholly owned subsidiary company incorporated in U.S.A.	US\$ 1	2,041,500		2,041,500
140,000	140,000	No Par Value Common Shares of US \$ 100 each in Geometric Americas, Inc. (formerly Geometric Software Solutions, Inc.) - a wholly owned subsidiary company incorporated in U.S.A.	US\$ 100	634,795,000		634,795,000
900,200	900,200	Equity shares of Rs. 10 each fully paid up in 3D PLM Software Solutions Ltd. - a subsidiary company incorporated under the Companies Act, 1956.	10	9,002,000		9,002,000
100,000	100,000	Common Shares of Singapore \$ 1 each in Geometric Asia Pacific Pte. Ltd. (formerly Geometric Software Solutions, Pte Limited) - a wholly owned subsidiary company incorporated in Singapore	S\$ 1	2,742,000		2,742,000
6,238	6,238	Common Stock of Geometric Technologies, Inc. (formerly TekSoft, Inc.) - a subsidiary company incorporated in U.S.A		75,607,192		75,607,192
-	-	Purchased during the year				
-	-	Sold during the year				
					724,187,692	724,187,692
3. OTHER TRADE INVESTMENTS						
<i>Long Term (At Cost) Unquoted, Trade</i>						
1,410,176	1,410,176	Powerway Inc. No par value shares of Series E Senior Preferred Stock, fully paid and non-assessable.			30,959,151	30,959,151
TOTAL					805,183,143	785,161,277
Aggregate Book Value of Investments:						
Quoted					50,036,300	30,014,434
Unquoted					755,146,843	755,146,843
TOTAL					805,183,143	785,161,277
Market Value of Quoted Investments					51,020,379	30,015,172

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES			
1. SUNDRY DEBTORS (Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months (Including doubtful debts Rs. 7,698,848; - previous year Rs. 932,777)	7,698,848		932,777
b) Other Debts (Including doubtful debts Rs. Nil; - previous year Rs. 6,913,058)	231,785,477		244,488,065
c) Less: Provision for Doubtful Debts	239,484,325		245,420,842
	7,698,848		7,845,835
		231,785,477	237,575,007
2. CASH AND BANK BALANCES			
a) Cash in Hand	-		301
b) Balances with Scheduled Banks			
- In Current Accounts	69,128,529		18,479,107
- In Deposit Accounts	3,427,118		3,427,118
c) Balances with Non - Scheduled Banks	1,656,720		6,913,204
		74,212,367	28,819,730
3. OTHER CURRENT ASSETS			
a) Dues from Subsidiaries	314,314,129		227,147,603
b) Accrued Interest	283,582		182,462
c) Unrealised Forward Cover Gain (Net)	6,671,469		44,832,835
		321,269,180	272,162,900
4. LOANS AND ADVANCES (Unsecured - considered good, unless otherwise stated)			
a) Loans to Subsidiaries	249,800,741		93,516,000
b) Advances recoverable in cash or in kind or for value to be received	150,884,897		153,701,009
c) Sundry Deposits	114,955,125		114,004,237
d) Advance Payment of Taxes (Net Of Provision for Taxes)	2,118,976		11,539,716
		517,759,739	372,760,962
TOTAL		1,145,026,763	911,318,599
SCHEDULE 8: CURRENT LIABILITIES AND PROVISIONS			
1. CURRENT LIABILITIES			
a) Sundry Creditors			
- Small Scale Industrial Undertakings	-		-
- Others	14,430,471		25,994,248
b) Advances and Deposits	58,131,004		11,451,085
c) Unclaimed Dividends*	1,480,941		1,621,928
d) Other Liabilities	180,711,824		139,927,331
		254,754,240	178,994,592
2. PROVISIONS			
a) For Proposed Dividend	49,682,848		49,542,396
b) For Tax on Dividend	8,443,600		8,419,730
c) For Leave Encashment	9,681,610		9,721,768
		67,808,058	67,683,894
TOTAL		322,562,298	246,678,486

* The amount of Unclaimed Dividend reflects the position as at March 31, 2008. During the year, the Company has transferred an amount of Rs. 67,318 (previous year Rs. 3,306); to the Investor Education and Protection Fund in accordance with the provisions of section 205C of the Companies Act, 1956.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Current Year Rupees	Current Year Rupees	Previous Year
SCHEDULE 9: OTHER INCOME			
1. Dividend from Subsidiary Company		105,773,500	114,775,500
2. Other Dividends		1,067,965	12,466,868
3. Gain on Exchange Difference (Net)		103,416,034	24,913,008
4. Interest on Advances and Deposits (Gross) (Tax Deducted at Source Rs. 36,502; previous year Rs. 19,074)		14,388,015	2,734,099
5. Rent Received		59,642,366	63,702,514
6. Profit on Sale of Investments (Net)		106,169	790,993
7. Miscellaneous Income		4,223,665	280,626
TOTAL		288,617,714	219,663,608

SCHEDULE 10: OPERATING AND OTHER EXPENSES

1. Personnel Expenses			
Salaries, Bonus and Allowances		1,029,085,513	991,002,835
Contribution to Provident and Other Funds		50,825,261	38,311,013
Staff Welfare Expenses		34,985,577	27,608,112
2. Software Tools and Packages		39,104,257	10,078,542
3. Electricity Expenses		32,639,048	27,026,984
4. Rates and Taxes		1,168,436	5,083,884
5. Rent and Service Charges		76,420,940	38,188,374
6. Repairs and Maintenance			
a) Computers	11,787,005		11,955,409
b) Buildings	1,732,843		1,167,355
c) Others	14,014,463		21,162,144
		27,534,311	34,284,908
7. Insurance		11,515,005	9,471,795
8. Travelling and Conveyance Expenses		111,467,606	124,069,507
9. Computer Rental Charges		69,596,100	11,034,320
10. Communication Expenses		26,064,498	25,134,754
11. Legal and Professional Charges		38,094,882	50,927,837
12. Advertising and Publicity		5,954,983	5,440,523
13. Staff Recruitment Expenses		11,728,098	9,676,648
14. Royalty		27,139,822	34,119,125
15. Miscellaneous Expenses		7,900,645	16,305,970
16. Sales and Marketing Expenses		32,718,040	26,342,221
17. Commission to Non Executive Directors		2,212,242	5,500,000
18. Loss on Sale of Assets (Net)		667,624	445,908
19. Bad Debts Written Off		585,802	803,532
20. Provision for Doubtful Debts and Advances		(146,987)	2,524,147
TOTAL		1,637,261,703	1,493,380,939

SCHEDULE 11: INTEREST AND FINANCE CHARGES

1. Interest on Bank Loans		13,063,366	7,409,836
2. Bank Charges		1,927,253	1,430,709
TOTAL		14,990,619	8,840,545

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting:

The financial statements have been prepared on accrual basis under the historical cost convention, in conformity in all material aspects with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the period in which the results are known/materialized.

c. Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

Direct financing cost incurred during the construction period on major projects is also capitalized. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of fixed assets is adjusted to the carrying cost of the respective assets.

Depreciation is provided under the straight line method, based on useful lives of assets as estimated by the Management. Depreciation is charged on a monthly pro-rata basis for assets purchased / sold during the year. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition. Leasehold assets are amortised over the period of the lease. The Management's estimate of useful lives for various fixed assets is as under:

Asset	Useful Life of Asset in Years
Buildings	28
Computers	3
Electrical Installation	8
Office Equipment	13
Furniture and Fixtures	10
EPABX Systems	10
Vehicles	10
Software	3-5

d. Asset Impairment:

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e. Investments:

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than that of a temporary nature.

Current investments intended to be held for less than one year are stated at the lower of cost and market value.

f. Foreign Exchange Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are stated at the contracted rates when covered under forward foreign exchange contracts and at year end rates in other cases. Non Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

The Company enters into forward exchange contracts based on firm commitments or highly probable forecast revenues.

g. Cash Flow Hedges:

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company designates these as Cash Flow Hedges.

The use of foreign currency forward contracts is governed by the Company's policy approved by the Board of Directors, which provides written principles on the use of such forward contracts consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculation purpose.

Foreign currency forward contracts are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Cash Flow Hedging Reserve and the ineffective portion is recognised immediately

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

in the Profit and Loss Account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instruments recognized in the Cash Flow Hedging Reserve is retained there until the forecasted transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognized in the Cash Flow Hedging Reserve is transferred to profit and loss account for the year.

h. Revenue Recognition:

Revenue from time and material contracts for software development is recognized on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are dispatched to customers. In case of fixed price contracts, revenue is recognized on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed. Revenue from sale of traded software products and software upgradation fee is recognized when the sale has been completed with the passing of the title. Revenue from software upgradation fees on software developed by the Company is recognized over the period for which it is received.

i. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j. Research and Development Expenditure:

Expenditure on in-house development of software is charged to the Profit and Loss Account in the year in which it is incurred.

k. Software Expenditure:

- i. Software purchased is capitalized and written off over its useful life, which is normally three years, provided the software is regularly updated through a maintenance contract, failing which, the unamortised balance is charged to revenue. If the usage of software is discontinued, its unamortised cost is also charged to revenue.
- ii. The cost of software purchased for specific software development contracts is charged over the period of such contracts, or three years, whichever is less.
- iii. Small-value software purchases costing between Rs. 5,000 and Rs. 50,000, other than software categorized as 'Standard Software Development Tools', is written off as and when incurred. Software categorized as 'Standard Software Development Tools' is capitalized and depreciated over a period of three years.
- iv. Software costing below Rs. 5,000 is written off as and when the cost is incurred.

l. Employee Stock Option Schemes:

Stock Options granted to employees are in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and are at market price calculated under the said Guidelines. The intrinsic value, being the difference, if any, between market price and exercise price is treated as Personnel Expenses and charged to Profit and Loss Account. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

m. Warranty Obligations:

In respect of products sold by the Company, which carry a specified warranty, future costs that will be incurred by the Company in carrying out its obligations are estimated and accounted for on accrual basis.

n. Income-tax:

Income taxes have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses. Deferred tax assets and liabilities are recognised for the expected future tax consequences attributable to timing differences between the taxable income and the accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or settled. The effect of changes in the tax rates on deferred tax assets and

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

liabilities is recognised in the statement of income in the period of change. Deferred tax assets are recognised based on management's judgment as to the sufficiency of future taxable income against which the deferred tax asset can be realised.

o. Employee Benefits:

i. Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

ii. Post Employment benefits:

a. Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged as an expense in the Profit and Loss Account as they fall due.

b. Defined Benefit Plans:

i. Gratuity

The Company has maintained a Group Gratuity Cum Life Assurance Scheme through a Master Policy with the Life Insurance Corporation of India towards which annual premiums as determined by actuarial valuation are paid and charged against revenue. Under the Gratuity plan, every employee is entitled to the benefit equivalent to fifteen days final salary last drawn for each completed year services depending on the date of joining. The same is payable on termination of services or retirement whichever is earlier. The benefit vests after five years of continuous services.

ii. Leave Encashment

The employees are entitled to receive certain benefits in lieu of the annual leave not availed of during services, at the time of leaving the services of the company. The benefits payable are expressed by means of a formulae which takes into account the salary and the leave balance to the credit of the employees on the date of exit. These benefits are administered on a Pay-As-You-Go basis.

iii. Other Long Term Employee Benefits:

Other Long Term Employee Benefits viz., accrued leave is recognised as an expense in the Profit and Loss Account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefit are charged to the Profit and Loss Account.

p. Segment Reporting:

As per AS-17 Segment Reporting if a single financial report contains both consolidated financial statements and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly information required to be presented under AS-17 Segment Reporting has been given in the consolidated financial statements.

q. Provision, Contingent Liabilities and Contingent Assets:

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for –

- A. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- B. Any present obligation that arises from past events but is not recognized because-
 - a. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

- b. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2. CONTINGENT LIABILITIES

- a. Guarantees given by the Company's bankers against counter guarantees given by the Company Rs. 4,305,000 (previous year Rs. 4,305,000).
- b. Corporate Guarantee of up to Rs. 318,720,000 (USD 8,000,000) [previous year Rs. 348,720,000 (USD 8,000,000)] in respect of a loan availed by its subsidiary secured by mortgage of immovable property of the Company at Pune in favour of Citibank, N.A. or its agents or trustees.
- c. Corporate guarantee in respect of a revolving credit of Rs. 398,400,000/- (USD 10,000,000) [previous year Rs. 435,900,000/- (USD 10,000,000)] availed by its subsidiary. As at March 31, 2008, Rs. 319,240,151 (USD 8,013,056) has been drawn under the credit agreement. The above credit facility is secured by all the assets of the subsidiary.
- d. Claims against the Company not acknowledged as debt:
 - i. Rs 172,818 (previous year Rs. 172,818) in respect of disputed demand of excise duty against which the Company has preferred an appeal.
 - ii. Rs. 165,966 (previous year Rs. 165,966) in respect of a sales tax assessment of a previous year against which the Company has applied for cancellation.

3. CAPITAL COMMITMENTS

a. Tangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) Rs. 5,836,974 (previous year Rs. 3,118,774).

b. Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) Rs. 5,422,412 (previous year Rs. 11,829,098).

4. SECURED LOANS

Working capital facility is secured by a first and exclusive charge on book debts of the Company, both present and future.

5. FOREIGN EXCHANGE HEDGING

- a. The Company accounted for forward foreign exchange contracts taken to cover its foreign exchange exposure whereby, the Company ascertained the fair value of the outstanding forward exchange contracts at the end of the period / year and the resultant gain or loss was recognized in the Profit and Loss Account. With effect from July 1, 2007, the Company adopted the principles of Cash Flow Hedging as laid down in Accounting Standard AS-30 Financial Instruments: Recognition and Measurement issued by The Institute of Chartered Accountants of India. Changes in the fair value of those forward foreign exchange contracts which are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Cash Flow Hedging Reserve and the ineffective portion is recognised immediately in the Profit and Loss Account. As a result of this change in policy, the Profit for the year ended March 31, 2008, is higher by Rs. 17,793,000.
- b. The Company uses forward exchange contracts to hedge its foreign exchange exposure. As at March 31, 2008, the Company had 163 outstanding forward exchange contracts to sell foreign currency aggregating to US Dollars 50,626,687 at an average rate of Rs. 40.34 per US Dollar. The Company does not use foreign currency options.
- c) As at the Balance Sheet date, the Company has net foreign currency exposures that are not hedged by a derivative instrument or otherwise amounting to Rs. 362,231,789

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

6. LOANS AND ADVANCES

Loans and Advances include:

a. Loans given to Subsidiaries:

(Amount in Rupees)

Name of the Subsidiary Company	Closing Balance		Maximum Debit Balance During the Year	
	Current Year	Previous Year	Current Year	Previous Year
Geometric Technologies Inc.	1,497,941	3,246,000	3,246,000	3,492,000
Geometric Americas Inc.	248,302,800	90,270,000	248,302,800	90,270,000

b. Dues from & to Subsidiaries:

(Amount in Rupees)

Name of the Subsidiary Company	Closing Balance		Maximum Debit Balance During the Year	
	Current Year	Previous Year	Current Year	Previous Year
3D PLM Software Solutions Limited	(184,128)	27,972,896	16,071,912	27,972,896
Geometric Americas Inc.	230,404,580	155,859,927	255,740,605	155,859,927
Geometric Technologies Inc.	20,595,281	15,521,218	21,698,573	24,418,701
Geometric Asia Pacific Pte. Ltd.	64,996,338	68,097,135	88,161,999	85,527,639
Geometric Engineering Inc	2,155,029	-	10,370,142	-

7. CURRENT LIABILITIES

- Unclaimed Dividends are net of amount transferred to the Investor Education and Protection Fund in accordance with the provisions of section 205A of the Companies Act, 1956.
- There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

8. PROVISIONS

- The details of provision and movement in each class of provision required by Accounting Standard AS - 29 on Provisions, Contingent Liabilities and Contingent Assets are as follows:

1. Provision for Leave Encashment:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Carrying amount at the beginning of the year	15,273,488	9,086,622
Additional provision made during the year	16,252,203	22,341,730
Amount paid/ utilized during the year	14,568,624	16,154,864
Unused amount reversed during the year	704,864	-
Carrying amount at the end of the year	16,252,603	15,273,488

2. Provision for Variable Pay*:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Carrying amount at the beginning of the year	23,854,900	11,426,251
Additional provision made during the year	65,422,885	67,385,553

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 12: Notes to accounts (contd..)**

Amount paid/ utilized during the year	65,746,944	54,956,904
Unused amount reversed during the year	2,608,295	-
Carrying amount at the end of the year	20,922,546	23,854,900

* Variable Pay is the amount which is payable to the employees on a quarterly basis based on quarterly performance evaluation.

9. ACCOUNTING FOR LEASES

The lease rentals in respect of computers and office space charged during the year and the total future minimum lease payments under non-cancellable operating leases payable as per the rentals stated in the lease agreement are given in accordance with the Accounting Standard (AS-19) Leases issued by the Institute of Chartered Accountants of India.

(Amount in Rupees)

Particulars	Current Year	Previous Year
Lease Rentals paid during the year	123,904,756	41,904,423
Future Lease Obligations		
- Due within one year	80,636,214	58,407,718
- Due between one year and five years	113,752,628	1,02,713,687
- Due after five years	Nil	Nil

The company has leased its buildings under an operating lease for a period of 33 months. (Gross block amounting to Rs. 200,300,488, accumulated depreciation thereon Rs. 33,505,354 and depreciation for the year Rs. 6,795,791). The lessee has given notice for premature termination of the lease on October 31, 2008. The future minimum lease payments under non cancelable operating leases in the aggregate and for each of the following periods are shown below:

(Amounts in Rupees)

Particulars	Current Year	Previous Year
Lease Rentals Receivable:		
Not later than one year	25,328,926	32,572,693
Later than one year and not later than 5 years	-	25,328,926
Later than five years	-	-

10. EMPLOYEE STOCK OPTIONS

The position of the existing Employee Stock Options Schemes is summarized as under:

Particulars	Scheme III ESOP Directors 2000 Scheme	Scheme IV ESOP Scheme 2001	Scheme V ESOP Scheme 2003	Scheme VI Special ESOP Scheme 2006
1. Details of the Meeting	Annual General Meetings (July 14, 2000 and June 29, 2004)	Annual General Meetings (June 22, 2001 and June 29, 2004)	Annual General Meetings (June 18, 2003 and June 29, 2004)	Extraordinary General Meeting (November 21, 2006)
2. Approved (Nos.)	300,000	3,546,250	2,750,000	1,850,000
3. The Pricing Formula	National Stock Exchange (NSE) market price	Closing price on National Stock Exchange (NSE) on a day previous to the day of grant.	Closing price on NSE on date immediately preceding grant of options. The options may be granted at Market Price computed in accordance with the ESOP Guidelines	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) 'Guidelines, 1999.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

4. Options Granted (Nos.)	260,000	3,449,120	2,100,025 [@]	1,847,500
5. Options Vested (Nos.)	260,000	3,449,120	1,772,707	400,000
6. Options Exercised (Nos.)	216,500	2,368,560	1,144,105	-
7. Options Forfeited/ Surrendered (Nos.)	28,500	1,028,515	1,100,715 [^]	25,000 [^]
8. Options Unexercised (Nos.)	15,000	-	955,920	1,847,500
9. Options Lapsed (Nos.)	52,045	-	-	-
10. Total Number of Options in force	15,000	-	955,920	1,847,500
11. Variation in terms of ESOP	NA	Amended on June 18, 2003, so as to grant options to employees of the subsidiaries of the Company retrospectively.	NA	NA
12. Total number of shares arising as a result of exercise of options (including shares pending allotment)	216,500	2,368,560	1,144,105	-
13. Money realised by exercise of options (Rs. in Lakhs)	71.66	561.04	567.96	-

[^] The surrendered options can be re-issued as per the terms of the Scheme.

[@] Net of forfeited /surrendered

Notes:

- Options exercised include 6,200 options (Scheme IV) which have been exercised by the concerned employees but equity shares are pending allotment.
- The number of options mentioned above have been adjusted for subdivision of the companies shares from face value of Rs. 10 each into five equity shares of face value of Rs. 2 each on August 2, 2005 and on account of issue of bonus shares on August 6, 2004.
- In the event of any further rights or bonus issue of equity shares prior to conversion, the entitlement of shares shall be suitably revised. In the event of a bonus issue, the number of shares shall be increased proportionately and the price revised downwards. The options vest in the employees to whom they are granted subject to the employee being in employment of the Company and his/her performance.

11. CONVERTIBLE WARRANTS

The Company has issued 350,000 convertible warrants to the Founder and Vice Chairman on December 1, 2006. Each warrant shall be convertible into one equity share of Rs. 2 each at a price determined in accordance with the SEBI (Disclosure and Investor Protection) Guidelines, 2000, (Preferential Issue Guidelines). The warrants have vested on March 2, 2007 and the allottee is entitled to apply for shares against conversion of these warrants at any time before the expiry of 18 months from the date of issue of the warrants. The allottee has paid an amount equivalent to 10% of the price calculated in accordance with the Preferential Issue Guidelines. This amount of 10% is to be adjusted against the price payable subsequently for acquiring the shares on conversion. The amount referred to above shall be forfeited if the allottee does not exercise the option to convert the warrants into shares within the validity period.

12. DEFERRED INCOME TAX

The Company accounts for taxes on income to include the effect of timing differences in the tax expenses in the Profit and Loss account and deferred tax asset / liability in the Balance Sheet. The tax holiday under section 10A of Income-tax Act, 1961, is available to the Company. In view of this, the deferred tax asset / liability in respect of timing differences that originate and reverse during tax holiday period is ignored and deferred tax liability in respect of timing differences that originate during tax holiday period but reverse after the tax holiday period is recognized.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 12: Notes to accounts (contd..)****13. RELATED PARTY TRANSACTIONS:****A. Related Parties and their Relationships**

- a) Subsidiary Companies : 1. Geometric Americas Inc. (Formerly Geometric Software Solutions Inc., USA)
(Including Geometric Engineering Inc. (Formerly Modern Engineering Inc.), a subsidiary of Geometric Americas Inc. & its subsidiaries)
2. Geometric Asia Pacific Pte. Ltd., Singapore.
(Including Geometric China, Inc., a subsidiary of Geometric Asia Pacific Pte. Ltd.)
3. 3D PLM Software Solutions Ltd.
4. Geometric Technologies Inc. (Formerly Teksoft, Inc.)
- b) Parties Having Significant Influence : Godrej and Boyce Manufacturing Co. Ltd.
- c) Key Management Personnel : 1. Mr. Manu Parpia, Founder & Vice Chairman
2. Dr. Ravi Gopinath, Managing Director & CEO

B. Transactions with Related Parties

(Amounts in Rupees)

Nature of Transaction	Subsidiary Companies	Parties Having Substantial Interest	Key Management Personnel
a) Sales – Software Services	322,310,633 (193,461,353)	3,937,799 (Nil)	Nil (Nil)
b) Software Development Charges- Subcontract	6,946,927 (13,319,310)	Nil (Nil)	Nil (Nil)
c) Marketing Expenses Paid	24,298,884 (Nil)	Nil (Nil)	Nil (Nil)
d) Purchase of Fixed Assets	Nil (Nil)	541,377 (8,887,123)	(Nil) (Nil)
e) Loan Repaid	1,497,941 (Nil)	Nil (Nil)	Nil (Nil)
f) Loan Given	158,032,800 (90,270,000)	Nil (Nil)	Nil Nil
g) Deposits Placed	Nil (Nil)	121,500 (3,757,740)	Nil (Nil)
h) Interest Received on Loans	13,667,701 (2,390,376)	Nil (Nil)	Nil (Nil)
i) Dividend Paid	Nil (Nil)	9,020,000 (9,020,000)	Nil (Nil)
j) Dividend Received	105,773,500 (114,775,500)	Nil (Nil)	Nil (Nil)
k) Rent Paid towards Leased Premises	Nil (Nil)	27,643,575 (21,981,604)	Nil (Nil)
l) Rent Income	31,769,119 (25,447,004)	Nil (Nil)	Nil (Nil)
m) Reimbursement of Expenses	67,808,253 (35,148,020)	2,228,253 (Nil)	Nil (Nil)
n) Managerial Remuneration	Nil (Nil)	Nil (Nil)	16,088,490 (22,796,155)

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

o) Royalty income	19,520,046 (Nil)	Nil (Nil)	Nil (Nil)
p) Compensation received for Services	135,383,554 (26,127,985)	Nil (Nil)	Nil (Nil)
q) Other Expenses	Nil (Nil)	Nil (898,310)	Nil (Nil)
Balances as on Balance Sheet Date:	567,767,841Dr. (236,090,265 Dr)	4,366,351Dr (2,191,802 Dr)	Nil (Nil)

Note: Previous year's figures are given in brackets

	Current Year Rupees	Previous Year Rupees
Rupees		

14. COMPUTATION OF PROFITS UNDER SECTION 349 OF THE COMPANIES ACT, 1956.

Profit Before Tax as per Profit and Loss Account	266,838,061	349,301,973
Add:		
Depreciation as per Accounts	93,196,972	121,340,147
Managerial Remuneration	16,088,490	22,028,415
Loss on Sale of Assets (Net)	667,624	445,908
Provision for Doubtful Debts	(146,987)	2,524,147
	109,806,099	146,338,617
	376,644,160	495,640,590
Less:		
Depreciation under section 350	93,196,972	121,340,147
Profit on Sale of Investments (Net)	106,169	790,993
	93,303,141	122,131,140
Eligible Profits	283,341,019	373,509,450
a) Remuneration to the Managing Director and Executive Director @ 10% of Eligible Profit as per section 198 read with Schedule XIII of the Companies Act, 1956, shall not exceed:	28,334,102	37,350,945
b) Remuneration to Managing Director and Founder & Vice Chairman: (See Note 15)	10,314,477	16,964,415
c) Maximum remuneration payable to the Non-Executive Directors shall not exceed 3% of Eligible Profit as per Central Govt. approval vide letter No. 12/156/2006-CL.VII dated January 12, 2007, for five financial years commencing from April 1, 2006. This amount is further restricted by the members of the Company to 1% of the consolidated profits of the Company.	4,424,484	5,064,606
d) Commission Payable to Non-Executive Directors (See Note 15)	2,212,242	5,064,000

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

15. MANAGERIAL REMUNERATION

a) Remuneration to Managing Director and Founder & Vice Chairman:		
Salary and Allowances	10,314,477	7,733,590
Performance Bonus*	-	9,230,825
b) Commission to Non - Executive Directors	2,212,242	5,064,000
TOTAL	12,526,719	22,028,415

* Including provision for Long Term Performance Bonus of Rs. Nil (previous year Rs. 35,61,771, which was due for payment on October 1, 2007).

16. EMPLOYEE BENEFITS

a. Defined contribution plans

i. Provident Fund:

The employees of the Company do not come under the purview of the Employees' Provident Fund Scheme, 1952. The Company has constituted an excluded Provident Fund where some of the employees have voluntarily participated up to May 31, 2007. There after, w.e.f. June 1, 2007, the company has made contribution towards Provident Fund with the Regional Provident Fund Commissioner.

ii. Superannuation:

The Company has maintained a Group Superannuation Scheme for its senior executives through a Master Policy with the Life Insurance Corporation of India towards which monthly premiums are paid and charged against revenue.

b. Defined benefit plans

i. Gratuity:

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees.

All permanent employees of the Company, on completion of five years of continuous service or on attainment of 58 years of age, are entitled to gratuity benefit. The benefit is subject to a maximum of Rs 3.50 lacs, calculated at 15 days' basic salary for every year of completed service or part thereof exceeding 6 months. In calculating the 15 days' basic salary, the average of last drawn 10 months basic salary is divided by 26 and multiplied by 15 days. The benefit is paid on employees' separation from the company.

c. Basis Used to Determine Expected Rate of Return on Investments:

The expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

d. Amounts Recognised as Expense:

i. Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to Rs. 30,790,200 has been included in Schedule 10 under Personnel Expenses - Contribution to Provident and Other Funds.

ii. Defined Benefit Plans

Gratuity cost amounting to Rs. 10,745,408 and contribution to Superannuation Fund amounting to Rs. 10,743,398 have been included in Schedule 10 under Personnel Expenses - Contribution to Provident and Other Funds.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: Notes to accounts (contd..)

16. EMPLOYEE BENEFITS (Contd..)

e. The amounts recognised in the Company's financial statements as at the year end are as under:

	Gratuity (Funded)		Accrued Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
a. Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	22,307,593	17,316,353	9,115,810	-
Current Service Cost	4,773,770	8,861,392	3,332,697	-
Interest Cost	1,612,402	1,149,001	729,265	-
Actuarial (Gain) / Loss on Obligation	3,886,178	(1,026,476)	(3,496,162)	-
Benefits Paid	(4,305,136)	(3,992,677)	-	-
Present value of the obligation at the end of the year	28,274,807	22,307,593	9,681,610	-
b. Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	21,753,250	16,376,951	-	-
Expected return on Plan Assets	1,985,248	1,429,883	-	-
Actuarial (Gain) / Loss on Plan Assets	(1,943,963)	36,663	-	-
Contributions by the Employer	10,388,560	7,902,430	-	-
Benefits Paid	(4,305,136)	(3,992,677)	-	-
Fair value of Plan Assets at the end of the year	27,877,959	21,753,250	-	-
c. Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	28,274,807	22,307,593	9,681,610	-
Unrecognised Past Service Cost	-	939,402	-	-
Fair value of Plan Assets at the end of the year	27,877,959	21,753,250	-	-
Net Obligation at the end of the year	(396,848)	(1,493,745)	(9,681,610)	-
d. Amounts Recognised in the statement of Profit and Loss:				
Current Service Cost	4,773,770	8,861,392	3,332,697	-
Interest cost on Obligation	1,612,402	1,149,001	729,265	-
Expected return on Plan Assets	(1,985,248)	(1,429,883)	(3,496,162)	-
Net Actuarial (Gain) / Loss recognised in the year	5,830,141	(1,063,140)	565,800	-
Past Service Cost	554,343	939,402	-	-
Net Cost Included in Personnel Expenses	10,785,408	8,456,772	1,131,600	-
e. Actual return on Plan Assets				
Expected return on Plan Assets	1,985,248	(1,429,883)	-	-
Actuarial (Gain) / Less on Plan Assets	(1,943,963)	36,663	-	-
f. Actuarial Assumptions				
i. Discount Rate	8% P.A.		7.5% P.A.	
ii. Expected Rate of Return on Plan Assets	8% P.A.		N/A	
iii. Salary Escalation Rate	9% P.A.		12% P.A.	
iv. Employee Turnover	20% P.A.		20% P.A.	
v. Mortality	L.I.C 1994-96 ULTIMATE		L.I.C 1994-96 ULTIMATE	

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	Current Year	Previous Year
Rupees	Rupees	Rupees

17. AUDITOR'S REMUNERATION

a. Statutory Audit Fees	1,920,000	1,460,000
b. Audit Under Other Statutes	260,000	175,000
c. In Other Capacity:		
Taxation Matters	500,000	425,000
Certification	50,000	411,047
Other Charges	150,000	150,000
	700,000	986,047
d. Reimbursement of Expenses	52,515	36,105
TOTAL	2,932,515	2,657,152

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 12: Notes to accounts (contd..)****18. VALUE OF IMPORTS ON C.I.F. BASIS**

a) Capital Goods	3,368,024	27,791,435
b) Software	-	664,243
TOTAL	3,368,024	28,455,678

19. EXPENDITURE IN FOREIGN CURRENCY

a) Travelling Expenses	38,027,787	52,113,646
b) Professional Fees	16,668,499	16,373,328
c) Sales and Marketing Services	34,171,300	32,286,719
d) Royalty	27,685,192	34,119,125
e) Salary-On Site Employees	181,865,980	280,148,084
f) Exhibition Expenses	1,168,418	2,430,108
g) Software Packages & Tools	10,034,516	2,355,106
h) Others	8,787,854	9,316,079
TOTAL	318,409,546	429,142,195

20. EARNINGS IN FOREIGN CURRENCY

a) Income from Software Development and Sale of Software	1,629,653,731	1,716,734,457
b) Reimbursement of Expenses	19,200,295	20,928,456
c) Interest & Dividend	13,792,505	2,805,566
TOTAL	1,662,646,531	1,740,468,479

21. BALANCES WITH NON-SCHEDULED BANKS

Balances with Non-Scheduled Banks comprise of Balances with:		
Deutsche Bank, Aachen - Germany	1,656,720	6,913,204
Maximum balance during the year	82,985,740	18,349,075
TOTAL	1,656,720	6,913,204

22. DIVIDENDS REMITTED IN FOREIGN CURRENCY

a. Dividend for the year ended March 31, 2007, to two non-resident shareholders on 5,245,000 shares	4,196,000	
b. Dividend for the year ended March 31, 2007, to three non-resident shareholders on 1,048,600 shares		4,189,200
TOTAL	4,196,000	4,189,200

23. EARNINGS PER SHARE

a. Net Profit After Tax	214,190,429	308,567,585
b. Number of Equity Shares:		
As at the commencement of the year	61,927,995	56,657,795
Issued during the Year	175,565	5,270,200
As at the end of the Year	62,103,560	61,927,995
Weighted Average Number of Equity Shares during the year:		
Basic	62,015,774	60,348,016
Diluted	62,525,990	61,550,153
c. Earning per Equity Share of Rs. 2/- each.		
Basic	3.45	5.11
Diluted	3.43	5.01

24. GENERAL

- Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.
- Other information required by Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.

**STATEMENT PURSUANT TO PART IV, SCHEDULE VI TO THE COMPANIES ACT, 1956:
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details:

Registration No.	:	77342
State Code	:	11
Balance Sheet Date	:	March 31, 2008

II. Capital Raised During the Year: (Amount in Rs. Thousand)

Public Issue	:	-
Right Issue	:	-
Bonus Issue	:	-
Private Placement	:	-
Shares Issued on the Exercise of Stock Options	:	351

III. Position of Mobilisation and Deployment of Funds: (Amount in Rs. Thousand)

Total Liabilities	:	2,646,995
Total Assets	:	2,646,995

Sources of Funds

Paid-up Capital	:	124,207
Share Application Money	:	446
Reserves and Surplus	:	2,001,679
Secured Loans	:	156,372
Unsecured Loans	:	-
Deferred Tax Liability	:	41,728

Application of Funds

Net Fixed Assets	:	696,786
Investments	:	805,183
Net Current Assets	:	822,463
Misc. Expenditure	:	-
Accumulated Losses	:	-

IV. Performance of the Company: (Amount in Rs. Thousand)

Turnover	:	2,012,287
Total Expenditure	:	1,745,449
Profit / (Loss) Before Tax	:	266,838
Profit / (Loss) After Tax	:	223,449
Earning Per Share in Rs.	:	3.45
Dividend Rate %	:	40%

V. Generic Names Of 3 Principal Products / Services of Company:

(As per monetary terms)

Item Code No. (ITC Code)	:	85249904.1
Product Description	:	Computer Software

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES

A. Name of The Subsidiary	Geometric America, Inc	Geometric Engineering, Inc.	CBT Companies Romania SRL	Geometric France	Geometric Asia Pacific Pte Ltd.,	Geometric China, Inc.	3D PLM Software Solutions Ltd.	Geometric Technologies Inc.
B. Financial year of the subsidiary ended on	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
C. The company's interest in the subsidiary on the aforesaid date								
a. Numbers of shares held	The Company held the entire stock of aggregate value of US \$ 14,050,000				The Company held the entire stock of aggregate value of Singapore \$100,000		900,200 Equity Shares	6,238 Equity common shares
b. Face Value per share	Common stock - No face value	Common stock - No face value	Common stock - No face value	Common stock - No face value	S \$ 1	Common stock - No face value	Rs. 10	Common stock - No face value
c. Extent of Holdings	100%	100%	100%	100%	100%	100%	70%	100%
D. The net aggregate of the Profits/(Losses) of the subsidiary so far it concerns the members of the company.								
a. Not dealt with in the accounts of the company amounted to								
1. For the Subsidiary's financial year ended as in "B" above	US\$(1,512,895)	US\$(1,418,595)	US\$(558,309)	US\$(10,289)	S\$ 1,329,766	S\$(91,810)	Rs. 202,702,951	US\$73,378
Equivalent INR*	Rs. (60,273,736)	Rs. (56,516,825)	Rs.(22,243,031)	Rs.(341,469)	Rs. 37,619,080	Rs. (2,597,305)		Rs. 2,923,380
2. For the previous financial years of the subsidiary since it became the company's subsidiary	US\$ 67,854	US\$ 4,444	US\$(7,076)	US\$(34,011)	SGD 441,958	US\$(142,329)	Rs. 520,77,423	US\$ 173,778
Equivalent INR*	Rs. 2,957,756	Rs.271,194	Rs. (319,977)	Rs. (1,537,977)	Rs. 13,249,851	Rs (6,436,117)	-	Rs. 6,125,895
b. dealt with in the accounts of the company amounted to								
1. For the Subsidiary's financial year ended as in "B" above	NIL	NIL	NIL	NIL	NIL	NIL		NIL
Equivalent INR*	NIL	NIL	NIL	NIL	NIL	NIL	-	NIL
2. For the previous financial years of the subsidiary since it became the company's subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	Rs. 200,249,490	NIL
Equivalent INR*	NIL	NIL	NIL	NIL	NIL	NIL	-	NIL

3D PLM Software Solutions Ltd.

Annual Report and Accounts
for the year ended March 31, 2008

Regd. Office:

Plant 6, Pirojshanagar, Vikhroli (W)
Mumbai 400 079, India

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting their report on the business and operations of the Company for the year ended March 31, 2008.

1. FINANCIAL RESULTS

The Company's operating performance during the year ended March 31, 2008, as compared to the previous year is summarized below:

(Rupees Million)

	Current Year	Previous Year
Sales and Other Income	936.17	760.49
Profit Before Interest, Depreciation and Tax	328.56	285.97
Depreciation	87.10	81.25
PROFIT BEFORE TAX:	241.47	204.72
Provision For Taxes	0.47	2.02
PROFIT AFTER TAX:	241.17	202.70
Surplus Brought Forward	111.92	98.15
PROFIT AVAILABLE FOR APPROPRIATION:	353.09	300.85
APPROPRIATIONS:		
Dividend		
-Interim	115.74	112.53
-Final	-	35.37
Dividend Tax	20.72	20.74
Transfer To General Reserve	19.00	20.30
Surplus Carried Forward	197.63	111.92
TOTAL	353.09	300.85

2. DIVIDEND

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

(Rupees Million)

Date of declaration	% to Paid up capital	Rs. per share	Total amount of dividend	Dividend Distribution Tax
July 11, 2007	300	30	38.58	6.56
October 9, 2007	300	30	38.58	6.56
January 7, 2008	300	30	38.58	6.56
Total	900	90	115.74	19.68

The Board of Directors recommends a final dividend of 300% (Rs. 30 per share) on the paid up capital of the Company. The final dividend will absorb Rs. 38,580,000/- and dividend distribution tax thereon will be Rs. 6,556,671/-.

3. BUSINESS PROSPECTS

3DPLM completed six years in this financial year - a major milestone in our journey as a part of Dassault Systemes's extended enterprise. The year saw development and Indus teams in 3D realizing greater autonomy as a result of DS's confidence in both our quality and productivity.

There was a major expansion in ENOVIA MatrixOne for which your company is involved in Development and Quality Assurance. With this 3D PLM now is in a unique position of having involved in development of multiple DS brands. 3DPLM now is also involved in developing industry solutions, documentation and courseware for DS products.

casual vacancy of the Directors who resigned in the interim, ends on April 4th 2008.

Accordingly, Mr. Manu Parpia, Mr. Milind Sarwate, and Mr. Bruno Latcague were reappointed for 3 years, Ms. Juliette Laquerriere and Mr. Jacques Leville Nizerolle resigned from the company. Furture we inducted Mr. Jean Philippe Grare and Mr. Phillippe laufer as new director of the company for a period of 3 years. Their appointment has been approved by the members at the General Meeting held on April 16, 2008.

During the year Mr. K Venkat was appointed as alternate director for Juliette Laquerriere.

4. DIRECTORS

In the Annual General Meeting held on April 5th 2005, six Directors of your Company were appointed for a period of 3 years. Four of the six Directors, were appointed by way of proportional representation method. The term of all the Directors, including those who were appointed to fill the

5. AUDITORS

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

DIRECTORS' REPORT TO THE MEMBERS (Contd..)

6. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in Annexure 'A' to this report.

7. PARTICULARS OF EMPLOYEES

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

8. COMPLIANCE CERTIFICATE

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

9. DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied

consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date;

- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

10. ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors,

MANU PARNIA
Managing Director

JEAN-PHILIPPE GRARE
Director

Mumbai,
8 April, 2008

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1. Conservation of Energy:

Our operations are not energy intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and purchasing energy-efficient equipment. We constantly evaluate new technologies and invest to make our infrastructure more energy-efficient. Currently, we use CFL fittings and electronic ballasts to reduce the power consumption of fluorescent tubes. Air conditioners with energy-efficient screw compressors for central air conditioning and air conditioners with split air conditioning for localized areas are used. As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material.

2. Technology Absorption:

The Disclosure of particulars with respect to Technology absorption is given below:-

FORM B

Disclosure of particulars with respect to absorption

Research and development (R & D)

1. Specific areas in which R & D carried out by the company:

R&D for software product development in the following brands of DS: CATIA, ENOVIA (includes VPLM, SmarTeam and MatrixOne), Spatial, SolidWorks, SIMULIA

2. Benefits derived as a result of the above R & D:

Product quality has improved

3. Future plan of action:

Continue to focus on productivity and quality

4. Expenditure on R & D:

Company's R & D activities are part of its normal software development process. There is no separate R & D department and hence there is no specific capital or recurring R & D expenditure. It is not practicable to identify R & D expenditure out of the total expenditure incurred by the company.

DIRECTORS' REPORT TO THE MEMBERS

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

3DPLM is an Offshore Development Center working exclusively for Dassault Group of Companies. It works as an extension of the DS R&D. The main focus is on building expertise in DS products so that higher productivity and quality can be delivered and product development cycles can be reduced. Towards this objective, training sessions, workshops, visits are organized within 3D PLM and between 3D PLM and DS. We have also started an initiative with an Educational Institute in Pune wherein DS has shared SolidWorks licenses with them. The institute runs a training course (i) for popularizing SolidWorks amongst the student community and (ii) for making them ready for a possible employment in 3D PLM subject to their performance.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc:

High Product quality and increased business potential.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- | | |
|--|--|
| a. Technology imported: | } Not Applicable
as no imported
technology is
put to use. |
| b. Year of import: | |
| c. Has technology been fully absorbed? | |
| d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. | |

3. Foreign Exchange Earnings and Outgo:

i. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company is in the business of software exports. All efforts of the Company are geared to increase the business of software exports in different products and markets.

ii. Total Foreign Exchange Earnings used and earned:

	Current Year (Rs.)	Previous year (Rs.)
Total Foreign Exchange used	1,111,712	278,105
Total Foreign Exchange earned	916,206,251	751,781,636

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2008.

The information is in the following format:

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

Employed for the whole year

- Mr. Milind Shastri, Director – Projects (Not a member of the Board of Directors), M.Tech (Mech), 44, 15-April-02, 3,775,788.5, Geometric Ltd. Director(Products)

Employed for part of the year

- Mr. Shashank Patkar, Chief Executive Officer, BE (Mech), MMS (Mktg.), 46, 22-Oct-07, 22, 2,725,866, Geometric Ltd., Head of Engg.(Projects).
- Mr. Prasad V. Joshi, Chief Operating Officer, BE (Mech), M. Tech (Design Engg), 46, 07-Aug-06, 22, 37,39,128, Geometric Ltd., Director (PLM Institute)

Note:

- None of the above mentioned employees is a relative of any Director or Manager of the company.
- All appointments are non-contractual basis, except in case of Chief Executive Officer.

SECRETARIAL COMPLIANCE CERTIFICATE

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

To,
The Members,
3D PLM Software Solutions Ltd,
Plant 6, Pirojshanagar,
Vikhroli (West),
Mumbai 400 079.

I have examined the registers, records, books and papers of 3D PLM Software Solutions Ltd, as required to be maintained under the Companies Act, 1956 (the Act), and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2008.

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

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, has the minimum prescribed Paid up Share Capital.
4. The Board of Directors duly met five (5) times on 17th April, 2007, 11th July, 2007, 9th October, 2007, 17th December, 2007 and 7th January, 2008, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including the Circular Resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members and / or Debenture holders during the Financial Year.
6. The Annual General Meeting for the Financial Year ended 31st March, 2007 was held on 17th April, 2007, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held, on 13th July, 2007, during the Financial Year, after giving due notice to the members of the company.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made the necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) There were no allotment of shares of the company during the year under review, and thus the company was not required to deliver any share certificates to the allottees. There was no or transmission of shares of the company during the year under review. The company has delivered all the certificates of shares on the lodgment thereof for transfer.
(ii) The company declared Final Dividend during the Financial Year ended 31st March, 2008, in its Annual General Meeting held on 17th April, 2007. It also declared Interim Dividend during the Financial Year ended 31st March, 2008, on 11th July, 2007, 9th October, 2007 and 7th January, 2008, the amounts of which were deposited in a separate Bank Account within five days from the respective dates of declaration of such Interim Dividend.
(iii) The company declared Final Dividend during the Financial Year ended 31st March, 2007, in its Annual General Meeting held on 17th April, 2007. It also declared Interim Dividend during the Financial Year ended 31st March, 2008, on 11th July, 2007, 9th October, 2007 and 7th January, 2008, in respect of which the dividend has been remitted to all the members within the prescribed time. As on the date of this report there were no amounts outstanding under the head 'Unpaid/Unclaimed Dividend'.
(iv) The company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted, and the appointment of a director to fill a casual vacancy and the appointment of an alternate director during the Financial Year has been duly made. There were no appointments of additional directors during the Financial Year. During the year under review, Mr. J.N. Godrej ceased to be a director on 17th April, 2007. Dr. Ravi Gopinath was appointed director in the casual vacancy caused by his resignation. On 7th January, 2008, Mr. Venkat Kantheti was appointed as an alternate director to Ms. Juliette Laquerriere.
15. The appointment of Managing Director has been duly made in compliance with the provisions of Section 269 read with Schedule XIII of the Act. The company was not required to obtain the approval of the Central Government to the appointment of Managing Director. The company has not appointed any Whole-time Director or Manager.
16. The Company has not appointed any Sole Selling Agents during the financial year.
17. There was no such activity for which the company was required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of

- Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the Financial Year.
 20. The Company has not bought back any shares during the Financial Year.
 21. The Company has not issued any Preference Shares or Debentures and hence there was no redemption of Preference Shares or Debentures during the financial year.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, Rights Shares and Bonus Shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview Section 58A of the Act, during the financial year.
 24. The Company has not made any borrowings during the Financial Year ended 31st March, 2008.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Registered Office of the Company from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
 30. The Company has altered its Articles of Association after obtaining the approval of the members in the Extra Ordinary General Meeting held on 13th July, 2007.
 31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The company has deposited both the employees' and the employers' contributions to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Name of Company Secretary
Certificate of Practice No.

Signature
(A. J. Gandhi)
C.P. No.2095.

Place: Mumbai.
Date: 4th April, 2008.

ANNEXURE A

List of Registers maintained by 3D PLM Software Solutions Ltd.

1. Register of Members under Section 150 and Share Ledger.
2. Register of Application and Allotment of Shares.
3. Register of Share Transfers.
4. Register of Directors, Managing Director under Section 303.
5. Register of Directors' Shareholdings under Section 307.
6. Register of Contracts in which directors are interested under Section 301(3).
7. Investment Register.
8. Register of Loans.
9. Board Meetings Minutes Book.
10. General Meeting Minutes Book.

ANNEXURE B

Forms and Returns filed by 3D PLM Software Solutions Ltd with the Registrar of Companies, Regional Director, Central Government of other prescribed authorities during the Financial Year ended 31st March, 2008.

Sr No.	Document & date Companies Act.	Applicable provision of Request No. & date	Challan No./Service
1.	Form No.66 in respect of Secretarial Compliance Certificate dated 9 th April, 2007.	Section 383A(1)	No. P08734386 dated 04.06.2007.
2.	Form No.23AC & 23ACA in respect of Annual Accounts for the year ended 31.03.2007.	Section 220	No. P08734329 dated 04.06.2007.
3.	Form No.32 in respect of ceasing of directorship of Mr. J.N.Godrej and appointment of Dr. Ravi Gopinath as director in casual vacancy.	Section 303 (2)	No.A15942360 dated 05.06.2007.
4.	Form No.20B for Annual Return (as per Schedule V) as on 17.04.2007.	Section 159	No.P08856528 dated 15.06.2007.
5.	Form No.DIN 3 in respect of Dr. Ravi Gopinath, director.	-	No.A16447096 dated 15.06.2007.
6.	Form No.32 in respect of appointment of Mr.V.Kantheti as alternate director to Ms.Juliette Laquerriere	Section 303 (2)	No.A31339096 dated 06.02.2008.

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of 3DPLM SOFTWARE SOLUTIONS LIMITED as at 31st March 2008 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both 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.

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 misstatements. 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.

- 1) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
- 2) On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- 3) Further to our comments in the Annexure referred to in paragraph 1 above, we 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 it appears from our examination of those books,
- (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956. and
- (e) In our opinion and to the best of our information and according to 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, 2008;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For DELOITTE HASKINS & SELLS

Chartered Accountants

Hemant M. Joshi

Partner

Membership No: 38019

Pune, April 8, 2008

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c. There has been no substantial disposal of fixed assets during the year which affects the going concern assumption.
2. The Company does not have any inventories.
3. a. On the basis of the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, sub clauses (b) to (d) of clause (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- b. On the basis of the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, sub clauses (f) to (g) of clause (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanations that, in respect of sale of software & services rendered, alternate comparable quotations are not available in the absence of sale of software & service rendered of a similar nature to other parties, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of software and services. We have not observed any continuing failure to correct major weaknesses in the internal control system.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a. To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
 - b. In our opinion and having regard to our comments in paragraph (4) above, and according to the information and explanations given to us, transactions made in pursuance of such contracts, have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under .
7. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, for any of the activities of the Company.
9. Statutory and other dues:
 - a. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including provident fund, professional tax, Custom Duty, Service Tax, Cess and any other statutory dues and generally regular in depositing Income tax with the appropriate authorities during the year. As explained to us the provisions of the Employees State Insurance Act, 1948 are not applicable to the Company for the year ended March 31, 2008. Further, there were no arrears of any statutory dues outstanding as at March 31, 2008 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, details of disputed income tax, service tax, cess which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Tax Deducted at sources	389,170	Assessment Year 2003-04	Appellate Tribunal

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred any cash losses in the current financial year, or in the immediately preceding financial year.
11. The company has neither taken any loans from a financial institution and a bank nor issued any debentures; hence the question of default in repayment of dues does not arise.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities hence the question of maintenance of adequate documents and records does not arise.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to the chit fund and nidhi/mutual benefit fund/societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.

15. 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; hence whether the terms and conditions are prejudicial to the interest of the company does not arise.
16. The company has not obtained any term loan during the year; hence the question of whether the term loan was applied for the purpose for which the term loan was obtained does not arise.
17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet, the company has not raised short term funds; hence the question of whether short term funds have been used for long term purposes does not arise.
18. The company has not issued any preference shares during the year; hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
19. The company has not issued debentures during the year; hence the question of whether security or charge has been created in respect of debentures issued does not arise.
20. The Company has not raised monies by public issues during the year hence the question of whether the management has disclosed the end use of money raised by public issues does not arise.
21. During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and accordance to the information and explanation given to us, we have come across an instance of a Source code theft by one of the employee of the company. We have been informed by management that there is no material impact of this incidence on the financial statements of the company for the year ended March 31, 2008 and necessary legal proceedings have been taken against employee which have not yet reached any conclusion.

For DELOITTE HASKINS & SELLS
Chartered Accountants

Hemant M. Joshi
Partner
Membership No: 38019

Pune, April 8, 2008

BALANCE SHEET AS AT MARCH 31, 2008

	SCHEDULE	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	12,860,000		12,860,000
b) Reserves And Surplus	2	280,083,077		185,818,024
			292,943,077	198,678,024
2. DEFERRED TAX LIABILITY	3		9,137,725	3,582,838
TOTAL			302,080,802	202,260,862
APPLICATION OF FUNDS:				
3. FIXED ASSETS	4			
a) Gross Block		426,595,419		376,689,268
b) Less: Accumulated Depreciation		280,103,289		217,080,084
c) Net Block		146,492,130		159,609,184
d) Capital Work-in-Progress (including Capital Advance)		-		129,680
			146,492,130	159,738,864
4. INVESTMENTS	5		98,000,000	59,431,741
5. CURRENT ASSETS, LOANS AND ADVANCES	6			
a) Sundry Debtors		139,751,773		71,008,814
b) Cash And Bank Balances		14,533,047		39,623,486
c) Loans And Advances		100,786,088		80,730,577
			255,070,908	191,362,877
7. Less: CURRENT LIABILITIES AND PROVISIONS	7			
a) Current Liabilities		134,276,424		139,912,292
b) Provisions		63,205,812		68,360,328
		197,482,236		208,272,620
8. NET CURRENT ASSETS			57,588,672	(16,909,743)
TOTAL			302,080,802	202,260,862
NOTES TO ACCOUNTS	10			

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

Signatures to the Balance Sheet and Schedules 1 to 7 and 10.

As per our Report attached

For and on behalf of

For and on behalf of the Board

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

Hemant M. Joshi
PARTNER

Manu Parpia
CHAIRMAN & MANAGING DIRECTOR

Jean-Philippe Grare
DIRECTOR

April 8, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE	Rupees	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees
INCOME:				
1. Sales - Software Packages & Services			898,811,307	746,173,976
2. Other Income	8		37,361,454	14,312,180
			936,172,761	760,486,156
EXPENDITURE:				
3. Operating And Other Expenses	9	607,608,063		474,516,073
4. Depreciation / Amortisation		87,095,924		81,248,011
			694,703,987	555,764,084
PROFIT BEFORE TAX:			241,468,774	204,722,072
5. Prior Period And Extraordinary Items				
Tax adjustment in respect of earlier years			184,566	(121)
6. Provision For Taxes				
(a) Current Taxes		26,958,038		91,000
(b) Mat credit eligible for set off		(26,784,488)		
(c) Deferred Taxes		5,554,887		657,000
(d) Fringe Benefit Tax		2,039,204		1,271,000
			7,767,641	2,019,000
PROFIT AFTER TAX:			233,885,699	202,702,951
7. Surplus Brought Forward			111,918,024	98,146,647
PROFIT AVAILABLE FOR APPROPRIATION:			345,803,723	300,849,598
APPROPRIATIONS:				
1. Dividend				
-Interim			115,740,000	112,525,000
-Final			-	35,365,000
2. Dividend Tax			20,720,354	20,741,574
3. Transfer To General Reserve			24,500,000	20,300,000
4. Surplus Carried Forward			184,843,369	111,918,024
TOTAL			345,803,723	300,849,598
EARNINGS PER EQUITY SHARE				
(Face value Rs. 10 each)				
Basic			181.87	157.62
Diluted			181.87	157.62
NOTES TO ACCOUNTS	10			

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

Signatures to the Profit and Loss Account and Schedules 8, 9 and 10.

For and on behalf of

For and on behalf of the Board

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

Hemant M. Joshi
PARTNER

Manu Parpia
CHAIRMAN & MANAGING DIRECTOR

Jean-Philippe Grare
DIRECTOR

April 8, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax		241,468,774	204,722,072
Adjustment for:			
Depreciation	87,095,924		81,248,011
(Profit) / Loss on Sale of Fixed Assets	217,531		1,483,461
(Profit) / Loss on Sale of Investments	(31,223)		(35,360)
Interest Expense	22,494		-
Interest Income	(500,184)		(196,329)
Dividend Income	(1,507,890)		(4,034,604)
(Including Rs. 1,492,934 Reinvested; - previous year Rs. 4,034,604)			
Diminution in Value of Investments		-	(3,476)
Unrealised gain/(loss) on cash and cash equivalent	(20,801,198)		
		64,495,454	78,461,703
Operating Cash Flows Before Working Capital Changes		305,964,228	283,183,775
Working Capital Changes:			
Sundry Debtors	(68,742,959)		(18,723,554)
Loans and Advances	34,957,155		(42,679,857)
Other Current Assets	17,640,906		-
Current Liabilities and Provisions	(25,925)		24,266,910
		(16,170,823)	(37,136,501)
Cash Generated from Operations		289,793,405	246,047,274
Income Taxes Paid		(27,664,941)	(1,589,519)
Net Cash Flow from Operating Activities before Prior Period Items		262,128,464	244,457,755
Prior Period Adjustments		184,566	(121)
Net Cash Flow from Operating Activities		262,313,030	244,457,634
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(74,066,720)		(83,895,411)
Sale of Fixed Assets	-		-
Purchase / Reinvestment of Investments	(866,192,934)		(418,998,603)
(Including Rs. 1,492,934 Reinvested; - previous year Rs. 4,034,604)			
Trade Investments	-		-
Sale of Investments	827,655,900		476,380,088
Loan to Subsidiary	-		-
Intercompany Deposits Placed	-		-
Intercompany Deposits Refund	-		-
Dividend Received	1,507,890		4,034,604
(Including Rs. 1,492,934 Reinvested; - previous year Rs. 4,034,604)			
Interest Received	500,184		196,329
Net Cash Used in Investing Activities		(110,595,680)	(22,282,993)
Balance carried forward		151,717,350	222,174,641

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees
Balance Brought Forward		151,717,350	222,174,641
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital	-		-
Overdraft from Bank	-		-
Repayment of Bank Borrowings	-		-
Interest Paid	(22,494)		-
Dividend Paid	(151,105,000)		(163,965,000)
Dividend Tax Paid	(25,680,295)		(22,996,093)
Net Cash Used in Financing Activities		(176,807,789)	(186,961,093)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		(25,090,439)	35,213,548
CASH AND CASH EQUIVALENTS:			
AS AT THE BEGINNING OF THE YEAR			
Cash and Bank Balances		39,623,486	4,409,938
AS AT THE END OF THE YEAR			
Cash and Bank Balances		14,533,047	39,617,271
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		-	6,215
		14,533,047	39,623,486
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		(25,090,439)	35,213,548

For and on behalf of

For and on behalf of the Board

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS**Hemant M. Joshi**
PARTNER**Manu Parpia**
CHAIRMAN & MANAGING DIRECTOR**Jean-Philippe Grare**
DIRECTOR

April 8, 2008

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
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SCHEDULE 1: SHARE CAPITAL

1. AUTHORISED:

2,000,000 Equity shares of Rs. 10/- each. (previous year 2,000,000 Equity Shares)		20,000,000	20,000,000
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2. ISSUED, SUBSCRIBED AND PAID UP:

1,286,000 Equity shares (previous year			
1,286,000 equity shares) of Rs. 10/- each fully paid up.		12,860,000	12,860,000

Note: Of the above, 900,200 equity shares are held by Geometric Ltd. (formerly Geometric Software Solutions Co. Ltd.) the Holding Company.

TOTAL		12,860,000	12,860,000
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SCHEDULE 2: RESERVES AND SURPLUS

1. GENERAL RESERVE

As per last Balance Sheet	73,900,000		53,600,000
Add:			
Transfer from Profit and Loss Account	24,500,000		20,300,000

2. CASH FLOW HEDGING RESERVE (Refer note 5 of Notes to Accounts)

(3,160,292)		95,239,708	73,900,000
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3. PROFIT AND LOSS ACCOUNT

	184,843,369	111,918,024
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TOTAL	280,083,077	185,818,024
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SCHEDULE 3: DEFERRED TAX LIABILITY/(ASSET)

Deferred Tax Liability/(Asset) as at April 1, 2007	3,582,838	29,25,838
Deferred Tax Liability/Asset for current period	5,554,887	657,000
Deferred Tax Liability/(Asset) as at March 31, 2008	9,137,725	3,582,838

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 4: FIXED ASSETS									
ASSET	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BOOK		
	As at 1-Apr-07	Additions	Deductions	As at 31-Mar-08	Up to 31-Mar-07	For the Year	On Deductions	Up to 31-Mar-08	As at 31-Mar-08 As at 31-Mar-07
Computers	339,192,422	70,134,393	24,290,249	385,036,566	206,502,470	81,724,217	24,072,719	264,153,968	120,882,598 132,689,952
Electrical Installations	8,873,800	144,264	-	9,018,064	2,963,480	1,072,723	-	4,036,203	4,981,861 5,910,320
Office Equipment and EPABX System	3,861,748	2,068,790	-	5,930,538	1,249,209	567,251	-	1,816,460	4,114,078 2,612,539
Furniture and Fixtures	19,498,928	775,488	-	20,274,416	4,383,654	1,904,472	-	6,288,126	13,986,290 15,115,274
Intangible Assets:									
- Computer Software	5,262,370	1,073,465	-	6,335,835	1,981,271	1,827,261	-	3,808,532	2,527,303 3,281,099
TOTAL	376,689,268	74,196,400	24,290,249	426,595,419	217,080,084	87,095,924	24,072,719	280,103,289	146,492,130 159,609,184
As at March 31, 2007	326,078,514	89,423,665	38,812,911	376,689,268	173,161,520	81,248,011	37,329,447	217,080,084	159,609,184 152,916,994
Capital Work-in-Progress (including Capital Advances of Rs.NIL; Previous year Rs.55,930)									
									- 129,680
TOTAL									146,492,130 159,738,864

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 5: INVESTMENTS

Previous Year	Current Year		Face Value		Current Year	Previous Year
Nos.	Nos.		Rs.	Rupees	Rupees	Rupees
1. IN UNITS OF MUTUAL FUNDS						
Current Investments (At lower of cost or market value)						
Quoted, Non Trade						
3,325,775	-	Birla Sweep Fund Dividend Reinvest Option	10	-		33,433,606
37,309,479	69,284,651	Purchased During the Year				
65,210	80,443,874	Dividend Reinvested during the year				
34,048,914	72,690,868	Sold During the Year				
2,597,216	-	DSP Merrill Lynch Liquidity Fund-Regular	10	-		25,998,135
	-	Daily Dividend				
2,497,502	19,996	Purchased During the Year				
99,714	18,360	Dividend Reinvested during the year				
-	2,635,572	Sold During the Year				
-	-	HDFC Cash Mang Fund- Savings Plus Plan-Retail-Daily Dividend-Reinvestment	10	-		
	1,993,719	Purchased During the Year				
	18,627	Dividend Reinvested during the year				
	2,012,346	Sold During the Year				
-	-	Reliance Lq Plus Fund-Retail option-Daily Dividend Plan	1000	-		
	9,992	Purchased During the Year				
	92	Dividend Reinvested during the year				
	10,083	Sold During the Year				
-	-	Birla Sun Life Liquid Plus Retail Option	10	-		
	1,896,957	Purchased During the Year				
	6,772	Dividend Reinvested during the year				
	1,903,729	Sold During the Year				
-	3,500,000	Kotak FMP 14M Series 3	10	35,000,000		
	3,500,000	Purchased During the Year				
	-	Dividend Reinvested during the year				
	-	Sold During the Year				
-	2,000,000	Lotus India Fixed Maturity Plan 14 Months	10	20,000,000		
	2,000,000	Purchased During the Year				
	-	Dividend Reinvested during the year				
	-	Sold During the Year				
-	2,500,000	Principal PNB Fixed Maturity Plan 91 days	10	25,000,000		
	2,500,000	Purchased During the Year				
	-	Dividend Reinvested during the year				
	-	Sold During the Year				
-	1,800,000	Tata Dynamic Bond Fund	10	18,000,000		
	1,800,000	Purchased During the Year				
	-	Dividend Reinvested during the year				
	-	Sold During the Year				
TOTAL BOOK VALUE OF INVESTMENTS					98,000,000	59,431,741
2. PROVISION FOR DEPLETION IN VALUE OF INVESTMENTS						
TOTAL					98,000,000	59,431,741
Aggregate Book Value of Investments:						
Quoted					98,000,000	59,431,741
Unquoted					-	-
TOTAL					98,000,000	59,431,741
Market Value of Quoted Non-Trade Investments					99,688,000	59,433,473

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES			
1. SUNDRY DEBTORS			
(Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months	-		-
(Including doubtful debts Rs. Nil;			
- previous year Rs. Nil)			
b) Other Debts	139,751,773	139,751,773	71,008,814
			71,008,814
c) Less: Provision For Doubtful Debts		-	-
		139,751,773	71,008,814
2. CASH AND BANK BALANCES			
a) Cash in Hand	1,941,539		317
b) Balances with Scheduled Banks			
- In Current Accounts	6,561,508		33,593,169
- In Deposit Accounts	6,030,000		6,030,000
(Pledged with bankers for obtaining bank guarantees)			
		14,533,047	39,623,486
3. LOANS AND ADVANCES			
(Unsecured - considered good, unless otherwise stated)			
a) Advances Recoverable in Cash or in Kind or For Value to be Received			
(including Unbilled Revenue of Rs. 2454144 and Previous year of Rs. 0.00)	8,138,325		21,231,871
b) Sundry Deposits	29,845,605		34,797,188
c) Advance Payment Of Taxes			
Current Taxes	31,559,942		5,507,990
Fringe Benefit Taxes	5,044,951		2,868,725
d) MAT credit entitlement	26,784,488		-
		101,373,311	64,405,774
e) Unrealized Forward Exchange Contracts Discount (Premium)		2,573,069	16,324,803
f) Gain/(Loss) on Effective Forward Contracts		(3,160,292)	-
		100,786,088	80,730,577
TOTAL		255,070,908	191,362,877
SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS			
1. CURRENT LIABILITIES			
a) Sundry Creditors			
- Small Scale Industrial Undertakings	-		-
- Others	1,525,888		22,607,272
b) Advances from Customers	14,219,352		76,309,120
c) Other Liabilities	118,531,184		40,995,900
		134,276,424	139,912,292
2. PROVISIONS			
a) For Taxation	31,659,654		4,821,000
b) For Fringe Benefit Tax	5,727,825		3,006,000
c) For Proposed Dividend	-		35,365,000
d) For Tax on Dividend	-		4,959,941
e) For Gratuity	5,020,692		3,194,082
f) For Leave Encashment	20,797,641		17,014,305
		63,205,812	68,360,328
TOTAL		197,482,236	208,272,620

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 8: OTHER INCOME			
1. Dividends		1,507,890	4,034,604
2. Gain/(Loss) on Exchange Fluctuation (Net)		34,972,401	10,027,962
3. Interest on Advances and Deposits (Tax Deducted at Source Rs. Nil; previous year Rs. Nil)		500,184	196,329
4. Profit on Sale of Investments		31,223	35,360
5. Miscellaneous Income		325,448	17,925
6. Discount Received		24,308	
TOTAL		37,361,454	14,312,180

SCHEDULE 9: OPERATING AND OTHER EXPENSES

1. Personnel Expenses			
Salaries, Bonus and Allowances		426,072,769	322,577,433
Contribution to Provident and Other Funds		22,386,078	18,243,752
Staff Welfare Expenses		11,264,919	9,498,680
2. Software Tools and Packages		8,601,268	6,567,443
3. Electricity Expenses		20,534,932	11,676,224
4. Rates and Taxes		-	-
5. Rent and Service Charges		59,255,175	37,357,023
6. Repairs and Maintenance			
a) Computers	5,400,011		2,796,125
b) Buildings	3,887,311		381,250
c) Others	7,610,045		11,858,690
		16,897,367	15,036,065
7. Insurance		2,419,505	2,695,087
8. Travelling and Conveyance Expenses		8,287,212	6,493,106
9. Communication Expenses		1,299,006	9,325,650
10. Legal and Professional Charges (including Audit Fees Rs. 730,340)		4,162,318	3,397,625
11. Staff Recruitment Expenses		1,565,710	4,539,479
12. Royalty		-	50,089
13. Miscellaneous Expenses		6,870,741	11,275,353
14. Lease Rent - Computers		17,773,532	14,303,079
15. Loss on Sale of Assets		217,531	1,483,461
16. Provision For Depletion In Value Of Investments		-	(3,476)
TOTAL		607,608,063	474,516,073

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10 - NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

The financial statements have been prepared on accrual basis under the historical cost convention, in conformity in all material aspects with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.

b) Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

Depreciation is provided under the straight-line method based on useful lives of assets as estimated by the Management. Depreciation is charged on a monthly pro-rata basis for assets purchased / sold during the year. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition. The Management's estimate of useful lives for various fixed assets is as under:

Asset	Useful Life Of Asset In Years
Computers	3
Electrical Installation	8
Office Equipment	13
Furniture and Fixtures	10
EPABX Systems	10

c) Investments:

Long term investments are carried at cost. Provision for diminution, if any, in the value of such long term investment is made to recognize a decline, other than that of a temporary nature.

Current investments intended to be held for less than one year are stated at the lower of cost and market value.

d) Foreign Exchange Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Monetary Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are stated at the contracted rates, when covered under forward foreign exchange contracts and at year end rates in other cases.

The Company takes forward covers based on firm commitments or highly probable forecast revenues. At present the accounting pronouncements in India do not prescribe any specific mandatory treatment for such forward covers.

However, the Company has done early implementation of the proposed AS-30 "Hedge Accounting". In accordance with the proposed AS 30, the mark to market gain on effective forward contracts is taken to Cash Flow Hedging Reserve. Till June 30, 2007, the mark to market gain was credited to profit and loss account.

Had the Company used the earlier basis of accounting, the profits after tax of the Company for the Period ended March 31, 2008 would have been Rs. 230,725,407 (as against reported figure of Rs 233,885,699).

e) Revenue Recognition:

Revenue from time and material contracts for software development is recognised on completion of contracts or statements of work or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are despatched to customers.

f) Expenditure: Software Expense Policy

Small-value software purchases (where cost per copy is less than Rs.50,000), software purchased for product development (R&D), and the cost of software developed internally are written off as incurred.

The cost of software purchased for specific software development contracts is charged over the period of such contracts or three years, whichever is less.

All other software purchased is capitalized and written off over its useful life, which is normally three years, provided the software is regularly updated through a maintenance contract, failing which the unamortised balance is charged to revenue. If the usage of software is discontinued, its unamortized cost is also charged to revenue.

g) Income Tax:

Income taxes have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to timing differences between the taxable income and the accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or settled. The effect of changes in the tax rates on deferred tax assets and liabilities is recognized in the statement of income in the period of change.

h) Retirement Benefits:

(i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Profit and Loss Account

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10 - NOTES TO ACCOUNTS (Contd..)

of the year in which the employee renders the related service.

a) Post Employment benefits:

(1) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged as an expense in the Profit and Loss Account as they fall due.

Leave encashment is a short term employee benefit. The Company determines the liability using the Projected Unit Credit Method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefit are charged to the Profit and Loss Account.

(ii) Long Term Employee Benefits:

(1) Defined Benefit Plans:

Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

i) **Provision, Contingent Liabilities and Contingent Assets:**

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provisions is recognized for –

A. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

B. Any present obligation that arises from past events but

is not recognized because-

- 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- 2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

The details of provision and movement in each class of provision required by Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are as follows-

(1) Provision for Accrued Leave: (Amount in Rs.)

Particulars	Year ended 31 st March, 2008	Year ended 31 st March, 2007
Carrying amount as at the beginning of the year	31,66,386	-
Additional provision made during the year	37,18,443	-
Amount paid/utilized during the year	-	-
Unused amount reversed during the year	-	-
Carrying amount as at the end of the year	6,884,929	-

(Previous year figures are not available)

(2) Provision for Variable Pay* (Amount in Rs.)

Particulars	Year ended 31 st March, 2008	Year ended 31 st March, 2007
Carrying amount as at the beginning of the year	5,612,781	4,149,856
Additional provision made during the year	31,324,196	23,406,703
Amount paid/utilized during the year	28,956,749	21,943,778
Unused amount reversed during the year	-	-
Carrying amount as at the end of the year	7,980,228	5,612,781

*Variable Pay is the amount which is payable to the employees on a quarterly basis based on quarterly performance evaluation.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10 - NOTES TO ACCOUNTS (Contd..)

j) Business Segment:

The Company is exclusively engaged in the business of Software Development. This, in context of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India, is considered to constitute one single primary segment.

k) Impairment:

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2. CAPITAL COMMITMENTS

a) Tangible Assets:

Estimated amount of contracts remaining to be executed on capital account net of advances paid Rs. Nil (Previous year Rs 55,930/-) to the extent not provided for, Rs. 2,356,128 (Previous year Rs.6,935,050/-).

b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account net of advances paid Rs. Nil (Previous year Rs. Nil) to the extent not provided for, Rs. 1,106,239/- (Previous year Rs. 4,387,495).

3. CONTINGENT LIABILITIES

Claims against the company not acknowledged as debt Rs 389,170/- (previous year Rs 389,170) in respect of income tax assessment of a previous year, which has been disputed by the company. Pending the settlement of the dispute, the Company has not paid the amount to the tax authorities.

4. LIABILITIES

There are no parties, which can be classified as small-scale industrial undertakings to whom the Company owes any sum which is outstanding for more than thirty days.

5. FOREIGN EXCHANGE HEDGING:

The Company uses forward exchange contracts to hedge its net foreign exchange exposure. As at March, 2008, the Company had 143 outstanding forward exchange contracts to sell foreign currency aggregating to US Dollars 15,620,000 at an average rate of Rs 40.48 per US Dollar. The Company does not use any foreign exchange options. There are no uncovered foreign exchange risks as at March 31'2008.

6. DISCLOSURES RELATING TO DEFERRED INCOME TAXES

The Company accounts for taxes on income to include the effect of timing differences in the tax expenses in the Profit and Loss Account and deferred tax asset / liability in the balance sheet in accordance with the Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Tax Holiday under Section 10A of the Income tax Act, 1961 is available to the Company. In view of this, the deferred tax asset / liability in respect of timing differences that originate and reverse during the tax holiday period is ignored and deferred tax liability in respect of timing difference that originate during tax holiday period but reverse after the tax holiday period is recognised.

The effects of significant timing differences that result in deferred tax assets and liabilities as at the end of the period are given below:

(Amounts in Rs.)

Particulars	Year ended 31 st March, 2008	Year ended 31 st March, 2007
Depreciation on Fixed Assets	9,137,725	3,582,838
Net Deferred Tax Liability / (Asset)	9,137,725	3,582,838

7. EMPLOYEE STOCK OPTIONS

Some of the employees in 3D PLM Software Solutions Ltd. have been allotted

Employee Stock Options in Geometric Limited (formerly Geometric Software Solutions Limited) (the holding company). Geometric Limited has not incurred any expenses for issuing such options.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10 - NOTES TO ACCOUNTS (Contd..)

8. RELATED PARTY TRANSACTIONS

A. Related parties and their Relationships

- | | |
|--|--|
| a) Holding Company | - Geometric Limited |
| b) Parties Having Substantial Interest | - Dassault Systemes |
| c) Parties Exercising Significant Influence | - Spatial Corp.
Solidworks
Dassault Systemes KK
Dassault Systemes Services LLC
Dassault Systemes of America Corp.
Dassault Systems Enovia
Dassault Data Services
Abacus Inc.
Godrej and Boyce Manufacturing Company Limited.
SmarTeam Corp Ltd.
Matrixone Inc. |
| d) Key Management Personnel
(There are no transactions with Key Management Personnel) | - Manu Parpia, Managing Director |

B. Transactions with Related Parties

(Amounts in Rs.)

Nature of Transaction	Holding Company	Parties Having Substantial Interest	Parties Exercising Significant Influence
a) Sales – Software Services	Nil (228,866)	378,786,257 (Cr.) (368,932,378) (Cr.)	516,033,989 (Cr.) (377,012,729) (Cr.)
b) Purchase of Fixed Assets	Nil (Nil)	Nil (Nil)	1,323,719 (Dr.) (794,851) (Dr.)
c) Sale of Fixed Assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
c) Dividend Paid	105,773,500 (Dr.) (114,775,500) (Dr.)	45,331,500 (Dr.) (49,189,500) (Dr.)	Nil (Nil)
d) Rent & Expenses towards Leased Premises	30,457,865 (Dr.) (25,447,004) (Dr.)	Nil (Nil)	12,329,040 (Dr.) (11,361,423) (Dr.)
e) Advances Received	Nil (Nil)	52,653,789 (Cr.) (22,927,888) (Cr.)	Nil (Nil)
f) Reimbursement of Expenses	58,304,014 (Dr.) (35,148,020) (Dr.)	21,322,628 (Cr.) (19,743,281) (Cr.)	28,870,958 (Cr.) (16,776,227) (Cr.)
g) Infrastructure Deposit Paid	Nil (Nil)	Nil (Nil)	Nil (12,202,060) (Dr.)
h) Bad Debts Written Off	Nil (Nil)	Nil (Nil)	Nil (Nil)
i) Other Expenses	Nil (Nil)	Nil (Nil)	223,445 (Dr.) (74,900) (Dr.)
j) Software development chg-Subcontract	Nil (832,754) (Cr.)	Nil (Nil)	Nil (Nil)
Balances as on Balance Sheet Date: 31.03.2008	184,128 Dr (12,531,544 Cr)	71,959,568 Dr (29,558,033Dr)	60,950,778 Dr (68,146,058 Dr)

Note: Previous Year's figures are given in brackets.

9. DUES TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES.

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

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008**SCHEDULE 10 - NOTES TO ACCOUNTS (Contd..)****10. ACCOUNTING FOR LEASES**

The lease rentals in respect of office space and computers charged during the year and maximum obligations on non-cancellable operating leases payable as per the rentals stated in the lease agreement are given in accordance with the Accounting Standard (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India .

Particulars	(Amount in Rs.)	
	Current Year	Previous Year
1 Lease Rental Paid	56,283,519	51,311,744
2 Future Lease Obligations		
Due within one year	41,746,563	49,385,204
Due between one year and five years	13,574,177	42,769,763
Due after five years	Nil	Nil

11. AUDITOR'S REMUNERATION

a) Audit Fees	730,340	729,800
b) Reimbursement of Expenses	6,718	48,542
c) Certification Fees	-	22,448
TOTAL	737,058	845,686

12. VALUE OF IMPORTS ON C.I.F. BASIS

a) Capital Goods	28,672,234	75,724,695
b) Software Packages and Software Tools	-	272,498
TOTAL	28,672,234	75,997,193

13. EXPENDITURE IN FOREIGN CURRENCY

a) Royalty	-	50,089
b) Others	1,078,285	228,016
	-	-
TOTAL	1,078,285	278,105

14. EARNINGS IN FOREIGN CURRENCY

a) Income from Software Development and Sale of Software	897,344,404	745,945,110
b) Others	18,861,847	5,836,526
TOTAL	916,206,251	751,781,636

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10: NOTES TO ACCOUNTS (Contd.)

15. EMPLOYEE BENEFITS

- a. The Company has adopted the revised Accounting Standard AS15 - Employee Benefits with effect from April 1, 2007. In accordance with the transitional provisions contained in the said standard, the transitional obligation of the Company towards Gratuity amounting to Rs. Nil (Net of deferred tax Rs. Nil) has been adjusted against the opening balance of General Reserve.
- b. Defined Contribution Plans
 - i. Provident Fund:
The employees of the Company do not come under the purview of the Employees' Provident Fund Scheme, 1952. The Company has constituted an excluded Provident Fund where some of the employees have voluntarily participated upto May 31, 2007. Thereafter, w.e.f. June 1, 2007, the company has made contribution towards Provident Fund with the Regional Provident Fund Commissioner.
 - ii. Superannuation:
The Company has maintained a Group Superannuation Scheme for its senior executives through a Master Policy with the Life Insurance Corporation of India towards which monthly premiums are paid and charged against revenue.
- c. Defined Benefit Plans
 - i. Gratuity:
The Company has maintained a Group Gratuity Cum Life Assurance Scheme through a Master Policy with the Life Insurance Corporation of India towards which annual premiums are paid and charged against revenue.
- d. Basis Used to Determine Expected Rate of Return on Assets
The expected return on plan assets is determined based on several factors like the composition of plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- e. Amounts Recognised as Expense
 - i) Defined Contribution Plan
Employer's Contribution to Provident Fund amounting to Rs. 13,521,660 has been included in Schedule 9 under Personnel Expenses - Contribution to Provident and Other Funds.
 - ii) Defined Benefit Plans
Gratuity cost amounting to Rs. 6,302,898 and contribution to Superannuation Fund amounting to Rs. 2,561,520 have been included in Schedule 9 under Personnel Expenses - Contribution to Provident and Other Funds.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10: NOTES TO ACCOUNTS (Contd.)

15. EMPLOYEE BENEFITS (Contd.)

The amounts recognised in the Company's financial statements as at the year end are as under:

	Gratuity (Funded)		Leave encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
	Rupees	Rupees	Rupees	Rupees
a) Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year	14,196,703	7,838,034	13,847,839	11,566,287
Current Service Cost	2,681,812	5,045,148	1,398,047	1,602,620
Interest Cost	1,080,296	568,809	1,056,841	867,472
Actuarial (Gain) / Loss on Obligation	2,987,531	1,252,542	(1,115,359)	(188,540)
Benefits Paid	(1,386,014)	(507,830)	(1,274,656)	-
Past Service Cost				
Present value of the obligation at the end of the year	19,560,328	14,196,703	13,912,712	13,847,839
b) Change in Plan Assets				
Fair value of Plan Assets at the beginning of the year	11,427,830	7,412,825	-	-
Expected return on Plan Assets	1,038,699	706,525	-	-
Actuarial (Gain) / Loss on Plan Assets	(1,017,167)	18,116	-	-
Contributions by the Employer	4,476,288	3,798,194	1,274,656	-
Benefits Paid	(1,386,014)	(507,830)	(1,274,656)	-
Fair value of Plan Assets at the end of the year	14,539,636	11,427,830	-	-
c) Amounts Recognised in the Balance Sheet:				
Present value of Obligation at the end of the year	19,560,328	14,196,703	13,912,712	-
Unrecognised Past Service Cost	425,209	-	-	-
Fair value of Plan Assets at the end of the year	14,539,636	11,427,830	-	-
Net Obligation at the end of the year	5,020,692	3,194,082	13,912,712	-
d) Amounts Recognised in the statement of Profit and Loss:				
Current Service Cost	2,681,812	5,045,148	1,398,047	1,602,620
Interest cost on Obligation	1,080,296	568,809	1,056,841	867,472
Expected return on Plan Assets	(1,038,699)	(706,525)	-	-
Expected return on Reimbursement Right recognised as an asset		-	-	-
Net Actuarial (Gain) / Loss recognised in the year	4,004,698	1,234,426	(1,115,359)	(188,540)
Past Service Cost	2,768,873	425,209	8,819,118	-
Effect of Curtailment or Settlement				
Net Cost Included in Personnel Expenses	9,496,980	6,567,067	10,158,647	2,281,552
e) Actual return on Plan Assets	21,532	724,641	-	-
f) Estimated contribution to be made in next financial year				
g) Actuarial Assumptions				
i) Discount Rate	8% P.A.	7.5% P.A.	7.5% P.A.	7.5% P.A.
ii) Expected Rate of Return on Plan Assets	8% P.A.	N/A	N/A	N/A
iii) Salary Escalation Rate	9% P.A.	9% P.A.	15% P.A.	15% P.A.
iv) Employee Turnover	10% P.A.	10% P.A.	10% P.A.	10% P.A.
v) Mortality	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

* This being the first year of implementation of AS-15 Employee Benefits (Revised 2005) previous year figures have not been furnished.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

SCHEDULE 10 - NOTES TO ACCOUNTS (Contd..)

	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees
16. DIVIDENDS REMITTED IN FOREIGN CURRENCY		
a) Dividend for the year ended March 31, 2008, to one non-resident shareholder on 385,800 shares	45,331,500	
b) Dividend for the year ended March 31, 2007, to one non-resident shareholder on 385,800 shares (This includes proposed dividend for FY 2005-06 - Rs. 8,101,800)		49,189,500
TOTAL	45,331,500	49,189,500

17. EARNINGS PER SHARE

a) Net Profit/(Loss) after Tax	233,885,699	202,702,951
b) Number of Equity Shares:		
As at the commencement of the year	1,286,000	1,286,000
Issued during the year	-	-
As at the end of the year	1,286,000	1,286,000
Weighted Average Number of Equity Shares during the year:		
Basic	1,286,000	1,286,000
Diluted	1,286,000	1,286,000
c) Earning per Equity Share of Rs. 10/- each.		
Basic	181.87	157.62
Diluted	181.87	157.62

18. REVENUE RECOGNITION

Current liabilities include "Deferred Revenue" amounting to Rs. 61,077,450.29 (USD 16,58,690.66) on account of upfront invoice made on Dassault systems towards the charges to be made in the future.

19. GENERAL

- Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.
- Other information required by Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008**SCHEDULE 10 - NOTES TO ACCOUNTS (Contd..)****20. STATEMENT PURSUANT TO PART IV, SCHEDULE VI TO THE COMPANIES ACT, 1956:
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details:**

Registration No.	:	134244
State Code	:	11
Balance Sheet Date	:	March 31, 2008

II. Capital Raised During the Year: (Amount in Rs. Thousand)

Public Issue	:	-
Right Issue	:	-
Bonus Issue	:	-
Private Placement	:	-
Employee Stock Options including Share Premium and Share Application	:	-

III. Position of Mobilisation and Deployment of Funds: (Amount in Rs. Thousand)

Total Liabilities	:	302,081
Total Assets	:	302,081

Sources of Funds

Paid-up Capital	:	12,860
Reserves and Surplus	:	280,083
Secured Loans	:	-
Unsecured Loans	:	-
Deferred Tax Liability	:	9,138

Application of Funds

Net Fixed Assets	:	146,492
Investments	:	98,000
Net Current Assets	:	57,589
Misc. Expenditure	:	-
Accumulated Losses	:	-

IV. Performance Of Company: (Amount in Rs. Thousand)

Turnover	:	936,173
Total Expenditure	:	694,704
Profit / (Loss) Before Tax	:	241,469
Profit / (Loss) After Tax	:	233,886
Earning Per Share in Rs.	:	181.87
Dividend Rate %	:	1150%

V. Generic Names Of 3 Principal Products / Services of Company:

(As per monetary terms)

a) Item Code No. (ITC Code)	:	85249904.1
Product Description	:	Computer Software

Geometric Americas, Inc.

(A wholly owned subsidiary of Geometric Limited)

Consolidated Financial Statements for the year ended March 31, 2008

633, South Boulevard
Rochester Hills, MI 48307, USA

DIRECTORS' REPORT TO THE MEMBERS

To The Members

The Directors hereby present the Eleventh Annual Report of the Company.

1. OPERATIONS

During the year, the Company acquired remaining 5 % shares Geometric Engineering, Inc. making it wholly owned subsidiary of the Company.

On a consolidated basis the total revenue was USD 51,418,002 and net loss was USD 1,512,895.

2. SHARE CAPITAL

During the year, there was no change in share capital of the Company.

3. DIVIDENDS

The Directors do not recommend payment of any dividend.

4. FUTURE OUTLOOK

The Company's operations have grown in line with the overall group operational plan. The Company expects to do better in providing sales and marketing services for the parent company and add substantial value to the shareholders.

April 17, 2008

By Order of the Board
Manu Parpia

AUDITORS' REPORT - GEOMETRIC AMERICAS CONSOLIDATED

INDEPENDENT AUDITORS' REPORT

Stockholders

Geometric Americas, Inc.

We have audited the accompanying consolidated balance sheets of Geometric Americas, Inc. as of March 31, 2008 and the related consolidated statements of income and retained earnings (deficit) and cash flows for the years then ended. 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 audits. The consolidated financial statements of Geometric Americas, Inc. as of March 31, 2007 were audited by other auditors whose report dated April 27, 2007, expressed an unqualified opinion on those consolidated statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Geometric Americas, Inc. as of March 31, 2008 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

UHY, LLP,
Southfield, Michigan

April 18, 2008

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	As at 31-Mar-08 US Dollars	As at 31-Mar-08 Equivalent Rs.	As at 31-Mar-07 US Dollars	As at 31-Mar-07 Equivalent Rs.
ASSETS				
CURRENT ASSETS				
Cash	1,283,556	51,136,871	901,747	39,307,152
Account Receivable, trade	8,047,807	320,624,631	7,965,002	347,194,437
Unbilled work in progress	4,696,547	187,110,432	3,394,825	147,980,422
Other receivables including loans to employees	803,048	31,993,432	1,161,512	50,630,308
Prepaid expenses	432,090	17,214,466	829,102	36,140,556
Deferred Income tax	-	-	38,000	1,656,420
Prepaid corporate income tax	104,226	4,152,364	72,753	3,171,303
Total Current Assets	15,367,274	612,232,196	14,362,941	626,080,598
NOTES RECEIVABLE	853,650	34,009,416	-	-
PROPERTY & EQUIPMENT	1,114,412	44,398,174	644,603	28,098,245
DEFERRED TAX ASSET	590,973	23,544,364	-	-
OTHER ASSETS				
Goodwill	25,488,905	1,015,477,975	24,998,414	1,089,680,866
Investment in Geometric Technology, Inc.	577,018	22,988,397	-	-
Security Deposits	136,346	5,432,025	852	37,139
Total Other Assets	26,202,269	1,043,898,397	24,999,266	-
TOTAL ASSETS	44,128,578	1,758,082,548	40,006,810	1,743,896,848
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Advance from parent company	5,462,645	217,631,777	2,908,727	126,791,410
Notes payable to Bank	8,001,364	318,774,342	7,191,788	313,490,039
Current portion of long term debt	2,444,692	97,396,529	183,122	7,982,288
Accounts payable and accrued expenses	1,843,861	73,459,422	1,564,414	68,192,806
Deferred revenue	526,724	20,984,684	384,028	16,739,781
Accrued wages and payroll taxes	876,857	34,933,983	1,959,676	85,422,277
Accrued Income Tax	-	-	850,000	37,051,500
Deferred Income Tax	332,776	13,257,796	127,987	5,578,953
Deferred Rent	122,922	4,897,212	145,906	6,360,043
Total Current Liabilities	19,611,841	781,335,745	15,315,648	667,609,096
NON CURRENT LIABILITIES				
Note payable to parent company	5,880,000	234,259,200	2,000,000	87,180,000
Note payable to banks	5,600,000	223,104,000	8,044,692	350,668,124
Total Non Current Liabilities	11,480,000	457,363,200	10,044,692	437,848,124
TOTAL LIABILITIES	31,091,841	1,238,698,945	25,360,340	1,105,457,221
MINORITY INTERESTS	-	-	96,838	4,221,168
STOCKHOLDER'S EQUITY				
Common stock, no par value, 200,000 shares authorized, 190,000 issued and outstanding	14,050,000	559,752,000	14,050,000	612,439,500
Retained earnings	(1,013,263)	(40,368,398)	499,632	21,778,959
Total stockholder's equity	13,036,737	519,383,602	14,549,632	634,218,459
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	44,128,578	1,758,082,548	40,006,810	1,743,896,848
Exchange rate used for Translation: 1USD = Rs.				
		39.84		43.59

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2008

	As at 31-Mar-08 US Dollars	As at 31-Mar-08 Equivalent Rs.	As at 31-Mar-07 US Dollars	As at 31-Mar-07 Equivalent Rs.
REVENUE:				
Services to parent company	904,061	36,017,790	530,109	23,107,451
Other consulting services	50,513,941	2,012,475,409	25,480,096	1,110,677,385
Total revenue	51,418,002	2,048,493,200	26,010,205	1,133,784,836
COST OF REVENUE				
Software costs and services provided by parent company	3,390,453	135,075,648	1,182,180	51,531,226
Payroll, payroll taxes and other labor costs	33,318,872	1,327,423,860	17,707,990	771,891,284
Indirect costs of revenue	3,947,290	157,260,034	1,211,022	52,788,449
Total cost of revenue	40,656,615	1,619,759,542	20,101,192	876,210,959
GROSS PROFIT	10,761,387	428,733,658	5,909,013	257,573,877
Operating Expenses				
Selling, general and administrative expenses	11,160,236	444,623,802	5,016,636	218,675,163
Depreciation	373,352	14,874,344	145,927	6,360,958
Total operating expenses	11,533,588	459,498,146	5,162,563	225,036,121
OPERATING INCOME	(772,201)	(30,764,488)	746,450	32,537,756
Other income (expense)				
Interest expense - Bank	(1,023,643)	(40,781,937)	(528,090)	(23,019,443)
Interest expense - intercompany loan	(340,037)	(13,547,074)	(49,219)	(2,145,456)
Other income	346,541	13,806,193	95,438	4,160,142
Total other income(expense)	(1,017,139)	(40,522,818)	(481,871)	(21,004,757)
NET INCOME BEFORE INCOME TAXES	(1,789,340)	(71,287,306)	264,579	11,532,999
Less: Income Taxes	(276,445)	(11,013,569)	414,303	18,059,468
NET INCOME(LOSS) BEFORE MINORITY INTERESTS EXPENSES	(1,512,895)	(60,273,737)	(149,724)	6,526,469
Minority interests charge	-	-	222	9,677
NET INCOME(LOSS)	(1,512,895)	(60,273,737)	(149,946)	(6,536,146)
RETAINED EARNINGS BEGINNING OF YEAR	499,632	19,905,339	649,578	28,315,105
RETAINED EARNINGS(DEFICIT) END OF YEAR	(1,013,263)	(40,368,398)	649,578	28,315,105
Exchange rate used for Translation: 1USD = Rs.		39.84		43.59

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS YEAR ENDED MARCH 31, 2008 & 2007

	As at 31-Mar-08 US Dollars	As at 31-Mar-08 Equivalent Rs.	As at 31-Mar-07 US Dollars	As at 31-Mar-07 Equivalent Rs.
Cash Flows from Operating Activities				
Net income (Loss)	(1,512,895)	(60,273,737)	(149,946)	(6,536,146)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	373,352	14,874,344	145,927	6,360,958
Gain on sale of assets	(894)	(35,617)	-	-
Loss on foreign currency exchange	2,374	94,580	(3,988)	(173,837)
Deferred taxes	(348,184)	(13,871,651)	345,787	15,072,855
Allowance for doubtful accounts	(103,031)	(4,104,755)	(92,175)	(4,017,908)
Divestiture of subsidiary	712,671	28,392,813	-	-
Changes in operating assets and liabilities				
Accounts receivable and unbilled work in process	(1,443,194)	(57,496,849)	(4,044,033)	(176,279,398)
Prepaid expense and security deposits	261,518	10,418,877	81,041	3,532,577
Prepaid income taxes	(31,473)	(1,253,884)	710,173	30,956,441
Loans to employees	(94,668)	(3,771,573)	(7,743)	(337,517)
Advances from parent company	2,553,918	101,748,093	1,925,620	83,937,776
Account payable and accrued expenses	(824,783)	(32,859,355)	(660,528)	(28,792,416)
Deferred revenue	50,762	2,022,358	230,594	10,051,592
Minority Interests	-	-	222	9,677
Net cash provided (used) by operating activities	(404,527)	(16,116,356)	(1,519,049)	(66,215,346)
Cash Flows from Investing Activities				
Investment in Geometric Engineering, Inc.	(1,300,000)	(51,792,000)	(24,660,128)	(1,074,934,980)
Investment in Geometric Technology, Inc.	(577,018)	(22,988,397)	-	-
Expenditures for Related party note receivable	(853,650)	(34,009,416)	-	-
Proceeds for sale of property, plant and equipment	1,605	63,943	-	-
Acquisition of property, plant and equipment	(841,669)	(33,532,093)	(190,816)	(8,317,669)
Net cash used for investing activities	(3,570,732)	(142,257,963)	(24,850,944)	(1,083,252,649)
Cash Flows from Financing Activities				
Beginning cash on date of acquisition	-	-	1,742,428	75,952,437
Net activity under note - payable	809,576	32,253,508	1,307,274	
Net activity under short term financing of bank drafts	(149,386)		149,386	
Repayment of long term debt	(183,122)		(88,294)	
Equity investment from parent	-	-	14,000,000	610,260,000
Loan from Citibank	-	-	8,000,000	348,720,000
Loan from parent company	3,880,000	154,579,200	2,000,000	87,180,000
Net cash from financing activities	4,357,068	173,585,589	27,110,794	1,181,759,510
Increase (Decrease) in Cash	381,809	15,211,271	740,801	32,291,516
Cash at Beginning of Year	901,747	35,925,600	160,946	7,015,636
Cash at End of Year	1,283,556	51,136,871	901,747	39,307,152
Supplemental Disclosure of Cash Flow Information				
Cash paid for income taxes	3,903	155,496	202,038	8,806,836
Cash paid for interest	711,860	28,360,502	135,921	5,924,796
Exchange rate used for Translation: 1USD = Rs.		39.84		43.59

The accompanying notes are an integral part of these financial statements

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008 AND 2007

Note 1 - NATURE OF BUSINESS AND ORGANIZATION

Geometric Americas, Inc. (the "Company") was incorporated on August 18, 1997 as a Massachusetts corporation and is a wholly owned subsidiary of Geometric Limited. (the "Parent"), an Indian corporation. The Company provides marketing assistance and promotes software products developed by its Parent. The Parent compensates the Company for these marketing services. The Company also provided software consulting services for other customers in eleven states.

On November 1, 2006 the Company acquired 95% (See Note 11) of the outstanding stock of Geometric Engineering, Inc (formerly known as Modern Engineering, Inc) (Geometric), a Delaware corporation. Then, on April 1, 2007, the company acquired the remaining 5 % of the outstanding stock in Geometric. Geometric's primary operations are in the Midwestern United States, where it is principally engaged in providing engineering services to major automotive, agricultural, construction manufactures and related tier suppliers. Geometric has wholly-owned consolidated subsidiaries in China, Romania, and France.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in United States of America.

Principals of Consolidation

The consolidated financial statements include the accounts of the Company and its majority – owned subsidiary. All material intercompany accounts and transactions between them have been eliminated.

Basis of Accounting

The accompanying financial statements were prepared on the accrual basis, under which sales revenue is recorded when services are performed or title to goods sold is transferred, and expenses or cost of assets are recorded when liability for payment is incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risks

The company from time to time during the period covered by these financial statements may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

Revenue recognized from consulting services to non affiliates for the years ending March 31 , 2008 and 2007 was \$ 13,835,991 and \$ 10,417,219, respectively. Consulting services revenue for the years ended March 31, 2008 and 2007 was received from forty six and thirty two customers, respectively, the largest of which were \$2,915,622 and \$1,935,040 respectively.

For the years ended March 31, 2008 and 2007, sales from major automotive manufacturers amount to \$ 14,124,729 and \$ 3,986,030 of total sales, respectively. Total billed and unbilled accounts receivable were \$2,670,139 and \$ 3,856,764 at March 31, 2008 and 2007, respectively. The Company does not require collateral from its customers.

Accounts Receivable

Accounts and loans receivable are stated at the amount management expects to collect from outstanding accounts. Management provides for probable uncollectible accounts for doubtful accounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts and loan balances. Accounts outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. The allowance for doubtful accounts at March 31, 2008 and 2007 was \$ 151,017 and \$ 127,485, respectively.

Fixed assets and Depreciation

Equipment is stated as cost less accumulated depreciation. Depreciation is provided using accelerated methods over an estimated useful life of five years. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated lives for various categories of the assets are as follows:

Computer Software	3 Years
Computer Equipment	3 Years
Office Equipment	13 Years
Furniture & Fixtures	10 Years
Machinery & Equipment	13 Years
Leasehold Improvements	Over the term of the lease

Revenue Recognition

Fixed Fee Projects: Revenue is recognized using the percentage-of- completion method. The percentage of completion is determined by comparing the actual costs incurred to date to an estimate of total costs to be incurred on each contract. If a loss is indicated on any contract in process, a provision is made currently for the entire loss. The Company's contracts generally provide for billing of customers upon the attainment of certain milestones specified in each contract. Revenues earned on contracts in process in excess of billings are classified as unbilled work in process and amounts billed in excess of revenues earned are classified as deferred revenue and later recognized as revenue when service is provided to the customer.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008 AND 2007 (Contd..)

Time and Material Projects: Revenue is recognized on a per hour basis as determined by the contract. All costs associated with the generation of revenue are expensed as incurred.

Goodwill

In accordance with Statement of Financial Accounting Standards (SFAS) No.142, Goodwill and Other intangible Assets, goodwill can't be amortized; however, it must be tested annually for impairment. This impairment test is calculated at the reporting unit level. The goodwill impairment test has two steps. The first identifies potential impairment by comparing the fair value of reporting unit with its book value, including goodwill. If the fair value of reporting unit exceeds the carrying amount, goodwill is not impaired and the second step is not necessary. If the carrying value exceeds the fair value, the second step is not necessary. If the carrying value exceeds the fair value, the second step calculates the possible impairment loss by comparing the implied fair value of goodwill with the carrying amount. If the implied goodwill is less than the carrying amount, a write down is recorded.

Income Taxes

Income taxes are provided at the applicable on the basis of items included in determination of income for income tax purposes. The Company's effective income tax rate is different than what would be expected if the Federal statutory rate were applied to income from continuing operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

Deferred Income Tax

Deferred income taxes are provided for timing differences between financial statement income and tax return income under the provisions of SFAS No. 109 which requires recognition, in the form of deferred tax liabilities and assets, of the future tax consequences of transactions and events that have been recognized in the company's financial statements. The principal timing difference arises from a net operating loss carry forward. The tax effect of such differences is included annually on the income statement and on the balance sheet as an adjustment to deferred income taxes. The Company is certain that the net operating loss will be realized in the future years.

Deferred taxes consist of the following:

	March 31, 2008		March 31, 2007	
	Short - Term	Long - Term	Short - Term	Long - Term
Assets	\$ 38,000	\$ 718,960	\$ 38,000	\$ (127,987)
Liabilities	(370,776)	(127,987)	-	-
	\$ (332,776)	\$ 590,973	\$ 38,000	\$ (127,987)

For Federal Income tax purposes the Subsidiary has net operating loss carry forwards of \$ 4,008,513 that expire through 2028, that may provide future tax benefit. The deferred tax assets are shown net of a valuation allowance of approximately \$ 2,391,000 for both the years ended March 31, 2008 and 2007 due to the uncertainty of the realization of asset as it related to the net operating losses.

In July, 2007 the state of Michigan signed into law the Michigan Business Tax Act, replacing the Michigan single business tax with a business income tax and modified gross receipt tax. These new taxes effect on January 1, 2008, and, because they are based on or derived from income – based measures, the provisions of SFAS No. 109. "Accounting for Income Taxes" apply as of the enactment date. In September 2007, an amendment to the Michigan Business Tax Act was also signed in to law establishing a deduction to the business income tax base if temporary differences associated with certain assets result in a net deferred tax liability as of December 31, 2007. The tax effect of this deduction, which will be equal to the amount of the aggregate deferred tax liability as of December 31, 2007. The tax effect of this deduction, which will be equal to the amount of the aggregate deferred tax liability as of December 31, 2007, has an indefinite carry forward period. The enactment of the Michigan Business Tax Act and the related amendment created for the company deferred tax assets of approximately \$ 51,000 as of March 31, 2008.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expenses in 2007 and 2006 were insignificant.

NOTE 3 – NOTE RECEIVABLE

The note receivable consisted of the following:

	March 31,	
	2008	2007
Note receivable from a related party.		
The note is non- interest bearing,		
due on demand and unsecured.		
The note is not expected to be repaid within one year.	\$ 853,650	\$ -

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	March 31,	
	2008	2007
Machinery and equipment	\$ 85,514	\$ 82,516
Computer Equipment & Software	1,123,217	524,153
Furniture & Fixtures	96,239	77,836
Leasehold improvements	1,307	1,308
Office equipment	80,842	70,590
Software development	305,249	95,388
	1,692,368	851,791
Less accumulated depreciation	577,956	207,188
	\$ 1,114,412	\$ 644,603

NOTE 5 – GOODWILL

On November 1, 2006 , the Company purchased 95% of the outstanding capital stock of Geometric Engineering, Inc. from Geometrics' stockholders. The Company exercised the option to

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008 AND 2007 (Contd..)

purchase the remaining 5% minority interest subsequent to March 31, 2007. This transaction took place on April 1, 2007:

	Amount(US\$)
Amount paid to former owners of Geometric Engineering, Inc.	23,750,000
Costs associated with the acquisition	910,128
	24,660,128
Book value of Company's 95% investment	1,835,701
Geometric Engineering Inc. deferred tax asset valuation (see note 2)	(2,173,987)
Adjusted Book value (deficit)	(338,286)
Excess of investment over book value accounted for as goodwill at March 31,2007	24,998,414
Amount paid to 5% minority interest owners of Geometric Engineering, Inc.	1,300,000
Book value of Company's 5% investment	(96,838)
Divestiture of Subsidiary (see note 20)	(712,671)
Excess of investment over book value accounted for as goodwill at March 31,2008	\$ 25,488,905

In accordance with SFAS No.142, Goodwill and Other Intangible Assets, the purchased goodwill of \$ 25,488,905 must be tested for impairment annually. Management's test concluded that the fair value of the assets acquired exceed the carrying amount of goodwill. As a result, no impairment charge is included in the consolidated statements of income.

NOTE 6 – INVESTMENT IN GEOMETRIC TECHNOLOGY, INC.

On July 15, 2007, the Company purchased 18% of the outstanding capital stock of Geometric Technology, Inc. from its stockholders for \$ 577,018. The company's parent, Geometric Limited, owns the other 82% of the outstanding capital stock.

NOTE 7 - ADVANCE FROM PARENT COMPANY

The Company provides marketing services to the parent company and includes such fees in revenue. The Company receives programming and other support from the parent, for which the parent receives a fee. The advance from parent company account represents the net intercompany balance related to these transactions.

NOTE 8 - NOTE PAYABLE TO BANK

At March 31, 2008 and 2007, the Subsidiary had drawn \$8,001,364 and \$ 7,191,788 respectively, under a revolving credit agreement with a bank. The company may borrow up to \$ 10,000,000 on a revolving basis with interest at the prime rate plus 0.35% (prime rate at March 31, 2008 and 2007 was 5.25% and 8.25%, respectively). The note will mature in October 2009, and is secured by all assets of the Company, and is subject to various covenants. The note is guaranteed by Geometric Limited, the parent company.

NOTE 9 - LONG-TERM DEBT

Long-term debt consists of the following:

	March 31, 2008	2007
Note payable to a financial institution, payable in quarterly installments of \$800,000 beginning July 31, 2008, with interest computed on the outstanding principal balance payable quarterly at LIBOR plus 1.25%,(LIBOR was 5.15% and 6.70%, respectively at March 31, 2008 and 2007),secured by a mortgage on land and buildings owned by the parent in India. Current interest rate is 7.95%	\$8,000,000	\$ 8,000,000
Capital leases payable to financial institutions in monthly installments totaling \$ 10,335, including interest. Interest on the notes range from non interest bearing to 6.75%. The note are due through March 2009 and are secured by furniture and software	44,692	167,237
Capital leases payable to financial institutions in quarterly installments of \$ 37,660, including interest at 6.55%. The note was due December 2007 and is secured by software	-	60,577
	8,044,692	8,277,814
Less Current portion	2,444,692	183,122
	\$ 5,600,000	\$ 8,044,692

The following is a schedule of long term debt payments:

Year ended March 31.	Total	Capital Leases
2009	\$ 2,444,692	\$ 44,692
2010	3,200,000	-
2011	2,400,000	-
	\$ 8,044,692	\$ 44,692

NOTE 10 – DEFERRED RENT

The company has entered into operating lease agreements for its facilities, some of which contain periods in which rent payments are abated. In accordance with generally accepted accounting principles, the Company records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of lease term. The difference between rent expenses recorded and the amount paid is credited or charged to deferred rent and is reflected on the balance sheet.

NOTE 11 - NOTE PAYABLE TO PARENT COMPANY

The Company, at March 31, 2008 and 2007 had a \$5,880,000 and \$ 2, 00,000 respectively, note payable in US Dollars to its Parent, Geometric Limited, with interest at 6.75% per annum due quarterly. Under the terms of the note, principal payments are to be made

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008 AND 2007 (Contd..)

upon the agreement of the Company and its Parent. At March 31, 2008 and 2007 both parties considered the note to be non-current.

NOTE 12 – DEFERRED REVENUE

Revenue under fixed fee contracts is deferred and recognised over the term of the contract. At March 31, 2008 and 2007, deferred revenue totaled \$526,724 and \$ 384,028, respectively.

NOTE 13 – CAPITAL LEASE

The Subsidiary is the lessee of equipment under capital lease expiring through March, 2009. The assets and liabilities under the capital leases recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over the lower of its related lease terms or its estimated productive life.

The following is a summary of property held under the capital leases:

	2008	March 31, 2007
Cost	\$ 227,175	\$ 227,175
Less accumulated depreciation	107,873	35,088
	\$ 119,302	\$ 192,087

Depreciation on assets under capital lease charged to expense for the years ended March 31, 2008 and 2007 was \$ 72,785 and \$ 35,088 respectively.

Interest expense on the capital leases for the years ended March 31, 2008 and 2007 was \$ 7,650 and \$11,326, respectively.

Minimum future lease payments under the capital leases as of March 31, 2008 and for each of the next three years are detailed in note 8.

NOTE 14 – LEASE COMMITMENT

The company has non-cancelable lease for office space in Merrimack, New Hampshire, terminating on May 31, 2009 under which monthly payments of \$852 are made. The lease contain provisions for additional charges for operating expenses. Rent expense under this lease was \$10,224 and \$11,027 for the years ended March 31, 2008 and 2007, respectively.

The Subsidiary conducts operations from facilities and has various pieces of equipment that are leased under non-cancelable operating leases expiring at various dates through February 2014. Total rent expenses under these leases was \$ 2,195,556 and \$ 1,034,509 for the years ended March 31, 2008 and 2007.

The Subsidiary subleased its facility to a related party for \$12,561 per month under a sub lease agreement that expired in December, 2007. Sublease income was \$125,606 and \$ 62,803 for the years ended March 31, 2008 and 2007, respectively.

The Subsidiary subleases other facilities to an unrelated party for monthly payments totaling \$7,223. The leases expire in February 2013 and February 2014. Sublease income was \$86,670 and \$63,196 for the years ended March 31, 2008 and 2007, respectively.

Total Sublease income for the years ended March 31, 2008 and 2007 was \$233,976 Total lease expense for the years ended March 31, 2008 and 2007 was \$2,206,583 and \$1,045,849, respectively.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2008 for each of the next two years are:

Years ended March 31,	
2009	\$ 1,760,634
2010	\$ 1,552,506
2011	\$ 1,213,111
2012	\$ 1,193,822
2013	\$ 1,215,646
Subsequent to 2013	679,254
	\$ 7,614,973

NOTE 15 – INCOME TAXES

The components of income tax expense for the years ended March 31, 2008 and 2007 were as follows:

	2008	March 31 2007
Current	\$ 71,739	\$ 68,516
Deferred	(348,184)	345,787
Total	\$ (276,445)	\$ 414,303

NOTE 16 – PROFIT SHARING PLAN

The Subsidiary has a 401(k) plan covering substantially all employees who are 21 year of age or older. Participants may defer up to the lesser of 50 % of their compensation or the maximum annual contribution set by law. In addition, the plan provides for a discretionary matching contribution to be set by the employer. 401 (k) expenses for the year ended March 31, 2008 and 2007 was \$57,047 and \$ 41,000, respectively

NOTE 17 – SELF INSURANCE

The Subsidiary provides all full time employees health and life insurance under a qualified sponsored plan. Under the plan, the company is liable for the first \$100,000 of health insurance claims for each individual. Claims submitted in excess of \$100,000 per individual are then covered by catastrophe insurance. A reserve for unsubmitted claims as of March 31, 2008 and 2007 was \$26,560 and 85,172.

NOTE 18 – RELATED PARTY TRANSACTIONS

The related parties of Geometric Americas, Inc. (GAI) are as follows:

- (i) Geometric Limited (GL)
- (ii) Geometric Technology, Inc.(GTI)
- (iii) Geometric China, Inc.(China)

Following are the related party transactions as of and for the year ended March 31, 2008:

Particulars	GL	GTI	China
Billed to GAI	599,229	-	13,208
AP Billed Outstanding	171,850	-	-
Advances from Parent	5,462,645	-	-
Loan to GAI 5,880,000	-	-	-
Loan from GAI	-	-	853,650
Interest Expenses	338,828	1,209	-
Royalty Expenses	112,000	-	-
Billed from GAI	904,061	-	-
Software Services provided to Parent	3,390,453	-	-
Outstanding AR Billed	117,758	-	-
Investment in	-	577,018	-

Following are the related party transactions as of and for the year ended March 31, 2007:

Particulars	GL	GTI	China
Billed to GAI	142,599	-	-
AP Billed Outstanding	142,599	-	-
AP Unbilled Outstanding	13,679	-	-
Advances from Parent	2,908,727	-	-
Loan to GAI 2,000,000	-	-	-
Interest Expenses	294,921	-	-
Billed from GAI	530,109	-	-
Software Services provided to Parent	1,039,581	-	-
Outstanding AR Billed	79,726	-	-
Outstanding AR Unbilled	28,180	-	-

In addition to the above related party transactions, employees relocating from India to United States are entitled to a \$ 6,000 interest free relocation loan that is ordinarily repaid over twenty – four months. Employee loans outstanding at March 31, 2008 and 2007 were \$ 378,308 and \$ 283,640, respectively.

NOTE 19 – FOREIGN CURRENCY TRANSLATION

The subsidiary's functional currency for the United States operations is the US dollar. The foreign subsidiaries' functional currency is their local currency. Assets and liabilities are translated at exchange rates in effect at the end of the year. Income statement accounts are translated at average rates for the year. Gains and losses from translation of foreign currency consolidated financial statements in to US dollar are included in current results of operations. Gains and losses resulting from foreign currency transactions are also included in current results of operations. Aggregate foreign currency translation and transaction gains (losses) included in operations totaled \$ (2,374) and \$ 3,988 for the years ended March 31, 2008 and 2007, respectively.

NOTE 20 – DIVESTITURE OF SUBSIDIARY

As of February 1, 2008, the Chinese subsidiary, Geometric China, Inc. was no longer a subsidiary of the Subsidiary. The net book value of the assets and liabilities of the Chinese subsidiary as of February 1, 2008 were transferred to Geometric limited's Asian Pacific subsidiary. The net effect of the transfer on the consolidated financial statements was to increase goodwill by \$712,671, which was the retained (deficit) of the Chinese subsidiary at February 1, 2008.

NOTE 21 - RESTATEMENT

For the year ended March 31, 2007 an adjustment was made to properly record a long – term deferred tax asset of the Subsidiary. The effect of this adjustment was to increase goodwill and decrease retained earnings by \$217,800.

NOTE 22 – SUBSEQUENT EVENT

As of April 1, 2008, the Company's subsidiary Geometric Engineering, Inc. merged into the Company.

Geometric Engineering, Inc. and Subsidiaries

(Now merged with Geometric Americas, Inc.
with effect from April 1, 2008)

Consolidated Financial Statements for the year ended March 31, 2008

633, South Boulevard
Rochester Hills, MI 48307, USA

DIRECTORS' REPORT

TO THE MEMBERS

The Directors hereby present their report for the year ended March 31, 2008.

1. OPERATIONS

The Company registered total revenue of USD 36,217,254 which resulted in a net loss of USD 1,418,595 on consolidated basis.

2. SHARE CAPITAL

Geometric Americas holds 100% stake of the company.

3. DIVIDENDS

The Directors do not recommend payment of any dividend.

4. DIVESTITURE OF SUBSIDIARY

As of February 1, 2008, the Chinese subsidiary, Geometric China, Inc. was no longer a subsidiary of the Company. The net book value of the assets and liabilities of the Chinese subsidiary as of February 1, 2008 were transferred to Geometric Limited's Asian Pacific subsidiary. The net effect of the transfer on the consolidated financial statements was to increase retained earnings by \$712,671, which was the retained (deficit) of the Chinese subsidiary at February 1, 2008.

5. SUBSEQUENT EVENT

As of April 1, 2008, the Company merged into the Company's parent Geometric Americas, Inc.

April 16, 2008

By Order of the Board
Manu Parpia

REPORT OF INDEPENDENT AUDITORS

Stockholders

Geometric Engineering, Inc. (f/k/a Modern Engineering, Inc.)
and Subsidiaries

We have audited the accompanying consolidated balance sheet of Geometric Engineering, Inc. (f/k/a Modern Engineering, Inc.) and Subsidiaries as of March 31, 2008 and the related consolidated statements of operations and retained (deficit), and cash flows for the year then ended. 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Geometric Engineering, Inc. (f/k/a Modern Engineering, Inc.) and Subsidiaries as of March 31, 2008, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

UHY LLP
Southfield, Michigan
April 9, 2008

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

Stockholders

Geometric Engineering, Inc. (f/k/a Modern Engineering, Inc.) and
Subsidiaries

Our report on our audit of the basic consolidated financial statements of Geometric Engineering, Inc. (f/k/a Modern Engineering, Inc.) and Subsidiaries for the period ended March 31, 2008 appears on page one. This audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information, noted in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

UHY LLP
Southfield, Michigan
April 9, 2008

CONSOLIDATED BALANCE SHEET MARCH 31, 2008

	US Dollar 2008	Equivalent Rs. 2008
ASSETS		
CURRENT ASSETS		
Cash in Bank	516,259	20,567,759
Account Receivables, net:		
Trade aged less than six months	5,182,249	206,460,800
Trade aged greater than six months	85,494	3,406,081
Unbilled aged less than six months	3,343,305	133,197,271
Unbilled aged greater than six months	21,287	848,074
Other	424,740	16,921,642
	9,057,075	360,833,868
Prepaid expenses	566,732	22,578,603
Deferred tax asset	29,424	1,172,252
Total current assets	10,169,490	405,152,482
NOTE RECEIVABLE	853,650	34,009,416
PROPERTY AND EQUIPMENT	1,106,332	44,076,267
DEFERRED TAX ASSET	2,364,760	94,212,038
TOTAL	14,494,232	577,450,203
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Note payable - bank	8,001,364	318,774,342
Current portion of long term debt	44,692	1,780,529
Account payable	1,947,240	77,578,042
Accrued expenses	924,665	36,838,654
Deferred rent	122,922	4,897,212
Deferred revenue	135,312	5,390,830
Total current liabilities	11,176,195	445,259,609
LONG TERM DEBT	2,305,000	91,831,200
STOCKHOLDERS' EQUITY		
Capital stock - Common, \$.01 par value, authorized 250,000 shares, issued and outstanding 200,000 shares	2,000	79,680
Additional paid-in-capital	15,793,776	629,224,036
Retained earnings (deficit)	(14,782,739)	(588,944,322)
	1,013,037	40,359,394
TOTAL	14,494,232	577,450,203

Exchange rate used for
translation: 1 USD = Rs.

39.84

CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED MARCH 31, 2008

	US Dollar 2008	Equivalent Rs. 2008
Revenue	36,217,254	1,442,895,399
Cost of revenue		
Direct labour	20,689,975	824,288,604
Indirect costs of revenue	7,043,365	280,607,662
Total cost of revenue	27,733,340	1,104,896,266
Gross margin	8,483,914	337,999,134
General and administrative expenses	9,888,337	393,951,346
Operating income	(1,404,423)	(55,952,212)
Other income (expense)	(294,520)	(11,733,677)
Net income (loss) before income taxes	(1,698,943)	(67,685,889)
Income taxes	(280,348)	(11,169,064)
Net (loss)	(1,418,595)	(56,516,825)
Retained (deficit), beginning- before restatement	(13,859,015)	(552,143,158)
Prior period adjustment	(217,800)	(8,677,152)
Retained (deficit), beginning- restated	(14,076,815)	(560,820,310)
Net (loss) - from above	1,418,595	56,516,825
Divestiture of subsidiary	712,671	28,392,813
Retained (deficit), ending	14,782,739	588,944,322

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2008

	US Dollar 2008	Equivalent Rs. 2008
OPERATING ACTIVITIES		
Net (Loss)	(1,418,595)	(56,516,825)
Adjustments to reconcile net (Loss) to net cash flows from operating activities:		
Depreciation	369,290	14,712,514
(Gain) on sale of assets	(894)	(35,617)
Loss on foreign currency exchange	2,374	94,580
Deferred taxes	(348,184)	(13,871,651)
Allowance for doubtful accounts	(103,031)	(4,104,755)
Divestiture of Subsidiaries	712,671	28,392,813
Changes in:		
Accounts receivable	850,834	33,897,227
Prepaid expenses	259,214	10,327,086
Accounts payable and accrued expenses	(646,757)	(25,766,799)
Net cash (used in) operating activities	(323,078)	(12,871,428)
INVESTING ACTIVITIES		
Expenditures for related party note receivable	(853,650)	(34,009,416)
Proceeds from sale of property and equipment	1,605	63,943
Purchase of property and equipment	(840,686)	(33,492,930)
Net Cash (used in) investing activities	(1,692,731)	(67,438,403)
FINANCING ACTIVITIES		
Net activity under note payable - bank	809,576	32,253,508
Net activity under short-term financing of bank overdraft	(149,386)	(5,951,538)
Proceeds from long-term debt	2,055,000	81,871,200
Repayments of long-term debt	(183,122)	(7,295,580)
Net cash provided by financing activities	2,532,068	100,877,589
Net Change in Cash	516,259	20,567,759
Cash, Beginning	-	-
Cash, Ending	516,259	20,567,759

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to generally accepted accounting Principles and have been consistently applied in the preparation of the financial Statements.

History and Business Activity

On November 1, 2006 substantially all the Geometric Engineering Inc.'s stock was acquired by Geometric Software Solutions, Inc., for the aggregate consideration of \$25,000,000 (equivalent Rs. 996,000,000). Management has elected not to reflect this transaction using "push down" accounting but rather in consolidation with its parent company, Geometric Americas, Inc. (formerly known as Geometric Software Solutions, Inc.) Geometric Engineering Inc. continued as a 95% controlled subsidiary of Geometric Software Solutions, Inc. subsequent to the purchase.

Geometric Engineering Inc. is currently organized as a corporation in the State of Delaware, United States of America. Geometric is principally engaged in assisting major automotive, agricultural, and construction manufacturers primarily in the Midwestern United States, and their tier suppliers. in engineering and producing quality products and services, while reducing development costs and time. Geometric also has locations in Europe and Asia.

Principles of Consolidation

The consolidated financial statements include the accounts of Geometric Engineering, Inc. and its wholly-owned subsidiaries; Geometric China, Inc., Geometric Engineering SAS, France and CBT Companies Romania SRL. All significant balances and transactions between the entities have been eliminated in consolidation. The operating results of Geometric China, Inc. are calculated using the local currency of China, the Yuan. The operating results of CBT Companies Romania SRL are calculated using the local currency of Romania, the Leu. The operating results of Modern Engineering SAS, France are calculated using the local currency of France, the Euro. Balance sheet accounts are translated at the year-end exchange rate and income statement accounts are translated at the average exchange rate for the year.

Basis of Accounting

The financial statements are prepared using the accrual method of accounting. As a result of the acquisition of the stock by Geometric Americas, Inc., the Company has elected its tax year to be a March 31st year-end.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company from time to time during the period covered by these financial statements may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

For the year ended March 31, 2008, sales from major automotive manufacturers amount to 39% of total sales, which include 28% of total sales from General Motors Corporation. Total billed and unbilled accounts receivable were \$ 2,670,139 from major automotive manufacturers and \$ 1,742,026 from General Motors Corporation at March 31, 2008. The Company does not require collateral from its customers.

Accounts Receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on the history of past write-offs and collections and current credit conditions. Management has estimated the allowance to be \$ 22,679 (Rs. 903,531) at March 31, 2008.

Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/commercial exploitation of assets. Depreciation on fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software:	3 Years.
Computer Equipment:	3 Years.
Office Equipment:	13 Years.
Furniture & Fixtures:	10 Years.
Machinery & Equipment:	13 Years.
Leasehold Improvements:	Over the term of the lease

Revenue Recognition

Fixed Fee Projects: Revenue is recognized using the percentage-of-completion method up to the amount specified on the customer contract. On a monthly basis, percentage of completion is determined and revenue is recognized based on that percentage. The corresponding entry is a debit to Unbilled Accounts Receivable. Upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts Receivable. All costs associated with the revenue generation are expensed, matching revenues and expenses. Invoicing schedules vary from project to project but include billed upon

completion and progress or milestone billings.

Time and Material Projects: Revenue is recognized on a per hour basis. The revenue rate per hour is determined by the customer contract value or specifications. Each hour of time incurred is multiplied by the per hour rate. The corresponding entry to revenue recognition is a debit to Unbilled Accounts Receivable. Upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts Receivable. All costs associated with the revenue generation is expensed, matching revenues and expenses. Invoicing schedules vary from project-to-project but include weekly and monthly billings.

Income Taxes

Income taxes on the United States operations, which exclude the operations of its wholly owned subsidiaries, are provided at the applicable rates on the basis of items included in determination of income for income tax purposes. The Company's effective income tax rate is higher than what would be expected if the Federal statutory rate were applied to income from continuing operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

See Note 12 regarding the Company's adoption of FASB interpretation No.48 "Accounting for uncertainty in Income Taxes (an interpretation of FASB Statement no. 109)" which is effective for fiscal years beginning after December 15, 2006.

Deferred Income Taxes

Deferred income taxes are provided for timing differences between financial statement income and tax return income under the provisions of SFAS No. 109 which requires recognition, in the form of deferred tax liabilities and assets, of the future tax consequences of transactions and events that have been recognized in the Company's financial statements. The principal timing difference arises from a net operating loss carry forward. The tax effect of such differences is included annually on the income statement and on the balance sheet as an adjustment to deferred income taxes. The Company is certain that the net operating loss will be realized in future Years.

For Federal income tax purposes on the United States operations, the Company has net operating loss carry forwards of \$ 4,008,513 (Rs. 159,699,158) that expire in 2022 through 2028, that may provide future tax benefit. The wholly owned foreign subsidiaries reported operating losses for the period ended March 31, 2008; no provision for a deferred tax benefit for the foreign subsidiaries has been recorded in the consolidated financial statements. Deferred taxes consist of the following at March 31, 2008:

	Short Term		Long Term	
	USD	Rs.	USD	Rs.
Assets	29,424	1,172,252	2,364,760	94,212,038
Liabilities	-	-	-	-
	29,424	1,172,252	2,364,760	94,212,038

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

In July, 2007 the state of Michigan signed into law the Michigan Business Tax Act, replacing the Michigan single business tax with a business income tax and modified gross receipt tax. These new taxes effect on January 1, 2008, and, because they are based on or derived from income – based measures, the provisions of SFAS No. 109. “Accounting for Income Taxes” apply as of the enactment date. In September 2007, an amendment to the Michigan Business Tax Act was also signed in to law establishing a deduction to the business income tax base if temporary differences associated with certain assets result in a net deferred tax liability as of December 31, 2007. The tax effect of this deduction, which will be equal to the amount of the aggregate deferred tax liability as of December 31, 2007. The tax effect of this deduction, which will be equal to the amount of the aggregate deferred tax liability as of December 31, 2007, has an indefinite carry forward period. The enactment of the Michigan Business Tax Act and the related amendment created for the company deferred tax assets of approximately \$ 51,000 as of March 31, 2008.

Interest Expense

Interest costs are expensed as incurred. Interest expense for the period ended March 31, 2008 was \$ 520,627 (Rs. 20,741,780).

NOTE 2 – PREPAID EXPENSES

Prepaid expenses consist of the following at March 31, 2008:

	US Dollar	Equivalent Rs.
Deposits	135,494	5,398,081
Prepaid rent	134,210	5,346,926
Prepaid insurance	25,800	1,027,872
Prepaid other	271,228	10,805,724
	566,732	22,578,603

NOTE 3 - NOTE RECEIVABLE

The note receivable consisted of the following at MARCH 31, 2008:

	US Dollar	Equivalent Rs.
Note receivable from a related party. The note is non – interest bearing, due on demand and unsecured. The note is expected to be repaid within one year.	853,650	34,009,416

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31, 2008:

	US Dollar	Equivalent Rs.
Machinery and equipment	9,727	387,524
Computer Equipment & Software	1,123,213	44,748,806
Furniture & Fixtures	95,254	3,794,919
Leasehold improvements	1,307	52,071

Office equipment	80,842	3,220,745
Software development	305,249	12,161,120
	1,615,596	64,365,345
Less accumulated depreciation	509,264	20,289,078
	1,106,332	44,076,267

NOTE 5 – NOTE PAYABLE – BANK

At March 31, 2008, the Company had drawn \$ 8,001,364 (Rs. 318,774,342) under a revolving credit agreement with a bank. The Company may borrow up to \$ 10,000,000 (Rs. 398,400,000) on a revolving basis with interest at the prime rate plus .35% (prime rate at March 31, 2008 was 5.25%). The note will mature in October 2009, and is secured by all assets of the Company, and is subject to various covenants. The note is guaranteed by Geometric Limited, the parent company.

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable consist of the following at March 31, 2008:

	US Dollar	Equivalent Rs.
Trade	1,079,602	43,011,344
Related party through common ownership	821,413	32,725,094
Other	46,225	1,841,604
	1,947,240	77,578,042

NOTE 7 – ACCRUED EXPENSES

Accrued expenses consist of the following at March 31, 2008:

	US Dollar	Equivalent Rs.
Accrued salaries	425,024	16,932,956
Accrued vacation and holiday	96,553	3,846,672
Accrued payroll withholding	47,060	1,874,870
Accrued insurance	9,079	361,707
Accrued 401(k)	1,500	59,760
Accrued payroll taxes	61,070	2,433,029
Accrued Michigan Single Business Tax	163,088	6,497,426
Accrued state and local income taxes	1,690	67,330
Accrued interest	119,601	4,764,904
	924,665	36,838,654

During the year ended March 31, 2008, the Company changed their vacation policy which reduced their vacation accrual by approximately \$ 880,000 (Rs.35, 059,200) from their prior year.

NOTE 8 – DEFERRED RENT

The Company has entered into operating lease agreements for its facilities, some of which contain periods in which rent payments are abated. In accordance with generally accepted

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

accounting principles, the Company records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent and is reflected on the balance sheet.

NOTE 9 – LONG-TERM DEBT

Long-term debt consists of the following at March 31, 2008:

	US Dollar	Equivalent Rs.
Capital leases payable to financial institutions in monthly installments totaling \$ 10,335, including interest. Interest on the notes range from non interest bearing to 6.75%. The notes are due through March 2009 and are secured by furniture and software.	44,692	1,780,529
Non- interest bearing note payable to related parties. These notes are not expected to be called for payment within one year.	2,305,000	91,831,200
	2,349,692	93,611,729
Less current portion	44,692	1,780,529
	2,305,000	91,831,200

The following is a schedule of long term debt payments for each of the next two years:

Year ended March 31.	Total		Capital Leases	
	US Dollar	Equivalent Rs.	US Dollar	Equivalent Rs.
2008	44,692	1,780,529	44,692	1,780,529
2009	2,305,000	91,831,200	-	-
	2,349,692	93,611,729	44,692	1,780,529

NOTE 10 – DEFERRED REVENUE

Revenue under fixed fee contracts is deferred and recognized over the term of the contract. At March 31, 2008, deferred revenues totaled \$ 135,312 (Rs. 5,390,830).

NOTE 11 – CAPITAL LEASE

The Company is the lessee of equipment under a capital lease expiring through March 2009. The asset and liability under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is depreciated over the lower of its related lease terms or its estimated productive life.

The following is a summary of property held under the capital lease at March 31, 2008:

	US Dollar	Equivalent Rs.
Cost	227,175	9,050,652
Less accumulated depreciation	107,873	4,297,660
	119,302	4,752,992

Depreciation on assets under capital lease charged to expense for the years ended March 31, 2008 was \$ 84,213 (Rs. 3,355,046).

Interest expense on the capital leases for the years ended March 31, 2008 was \$ 7,650 (Rs. 304,776).

Minimum future lease payments under the capital leases as of March 31, 2008 and for each of the next two years are detailed in note 9.

NOTE 12 – INCOME TAXES

Income taxes consist of the following at March 31, 2008:

	US Dollar	Equivalent Rs.
Current	67,836	2,702,586
Deferred	(348,184)	(13,871,651)
	(280,348)	(11,169,064)

In June 2006, the Financial Accounting Standard Board (FASB) issued Interpretation No.48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognised in enterprise's financial statement in accordance with Statement of Financial Accounting Standard No.109, "Accounting for Income taxes" ("FAS 109"). This interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in an income tax return. FIN 48 also provides guidance on derecognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, disclosure and transaction.

The Company adopted FIN 48 effective April 1, 2007 and had no material unrecognized tax benefits as of the adoption date and as of March 31, 2008.

The Company is subject to taxation in the U.S. and various state and foreign jurisdictions. The Company's federal tax returns for 2003 through 2006 tax years remain subject to examination. The Company files numerous state jurisdictions with varying statutes of limitations. In addition, open tax years related to foreign jurisdictions remain subject to examination but are not considered material.

NOTE 13 – CASH FLOWS

Supplemental disclosure of cash flow information is as follows for the period ended March 31, 2008:

	US Dollar	Equivalent Rs.
Current	67,836	2,702,586
Deferred	(348,184)	(13,871,651)
	(280,348)	(11,169,064)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

NOTE 14 – PROFIT SHARING PLAN

The Company has a 401(k) plan covering substantially all employees who are 21 years of age or older. Participants may defer up to the lesser of 50% of their compensation or the maximum annual contribution set by law. In addition, the plan provides for a discretionary matching contribution to be set by the employer. 401(k) expense for the period ended March 31, 2008 was \$ 57,047 (Rs. 2,272,752).

NOTE 15 – SELF INSURANCE

The Company provides all full-time employees health and life insurance under a qualified sponsored plan. Under the plan, the Company is liable for the first \$ 100,000 of health insurance claims for each individual. Claims submitted in excess of \$ 100,000 per individual are then covered by catastrophe insurance. A reserve for unsubmitted claims as of March 31, 2008 was \$ 26,560. (Rs. 1,058,150)

NOTE 16 – OPERATING LEASES

The Company conducts operations from facilities and has various pieces of equipment that are leased under non-cancelable operating leases expiring at various dates through February 2014. Total rent expense under these leases was \$ 2,195,556 (Rs. 87,470,951) for the period ended March 31, 2008.

The Company subleases its facility to a related party for \$ 12,561 (Rs. 500,430) per month under sublease agreement that expired in December 2007. Sublease income was \$ 125,606 (Rs. 5,004,143) for the period ended March 31, 2008.

The Company subleases its facility to a related party for \$ 1,100 (Rs. 43,824) per month under a month to month sub lease agreement. Sublease income was \$ 21,700 (Rs. 864,528) for the year ended March 31, 2008

The Company subleases other facilities to an unrelated party for monthly payments totaling \$ 7,223 (Rs. 287,764). The leases expire in February 2013 and February 2014. Sublease income was \$ 86,670 (Rs. 3,452,933) for the period ended March 31, 2008.

Total sublease income for the period ended March 31, 2008 was \$ 233,976 (Rs. 9,321,604).

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2008 for each of the next five years. and in the aggregate are:

Year ended March 31,	US Dollar	Equivalent Rs.
2009	1,758,930	70,075,771
2010	1,552,506	61,851,839
2011	1213,111	48,330,342
2012	1,193,822	47,561,868
2013	1,215,646	48,431,337
Subsequent to 2013	679,254	27,061,479
	7,613,269	303,312,637

NOTE 17 – RELATED PARTY TRANSACTIONS

The related parties of Geometric Americas, Inc. (GAI) are as follows:

- (i) Geometric Limited (GL)
- (ii) Geometric Americas, Inc.(GAI)
- (iii) Geometric China, Inc.(China)
- (iv) Modern Professional Services, L.L.C. (MPS)

Particulars	GL US Dollar Equivalent Rs.		GAI US Dollar Equivalent Rs.		China US Dollar Equivalent Rs.		MPS US Dollar Equivalent Rs.	
Billed from Geometric	219,838	8,758,346	274,718	10,944,765	13,208	526,207	3,120	124,301
Outstanding Accounts receivable billed	117,758	4,691,479	198,079	7,891,467	-	-	27,237	1,085,122
Outstanding Accounts receivable unbilled	2,484	98,963	-	-	-	-	2,463	98,126
Loan to Geometric	-	-	2,305,000	91,831,200	-	-	-	-
Loan from Geometric	-	-	-	-	853,650	34,009,416	-	-
Interest on loan to Geometric	-	-	120,610	4,805,102	-	-	-	-
Expenses incurred on behalf of MPS	-	-	-	-	-	-	185,825	7,403,268
Rent payment received	-	-	21,700	864,528	-	-	-	-
Billed to Geometric	399,871	15,930,861	910,961	36,292,686	-	-	36,720	1,462,925
Billed Outstanding	30,959	1,233,407	423,514	16,872,798	-	-	9,159	364,895
Unbilled outstanding	-	-	-	-	-	-	-	-

NOTE 18 – FOREIGN CURRENCY TRANSLATION

The Company's functional currency for the United States operations is the U.S. dollar. The foreign subsidiaries' functional currency is their local currency. Assets and liabilities are translated at exchange rates in effect at the end of the year. Income statement accounts are translated at average rates for the year. Gains and losses from translation of foreign currency consolidated financial statements into U.S. Dollars are included in current results of operations. Gains and losses resulting from foreign currency transactions are also included in current results of operations. Aggregate foreign currency translation and transaction losses included in operations totaled \$(2,374) (Rs. 94,580) for the year ended March 31, 2008.

NOTE 19 – Divestiture of subsidiary

As of February 1, 2008, the Chinese subsidiary, Geometric China, Inc. was no longer a subsidiary of the Company. The net book value of the assets and liabilities of the Chinese subsidiary as of February 1, 2008 were transferred to Geometric Limited's Asian Pacific subsidiary. The net effect of the transfer on the consolidated financial statements was to increase retained earnings by \$ 712,671 (Rs. 28,392,813), which was the retained (deficit) of the Chinese subsidiary at February 1, 2008.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

NOTE 20 – PRIOR PERIOD RESTATEMENT

During the year ended March 31, 2008, a prior period adjustment was made to properly record a long term deferred tax asset. The effect of this adjustment was to decrease long- term deferred tax asset and increase retained deficit by \$ 217,800 (Rs. 8,677,152).

NOTE 21 – SUBSEQUENT EVENT

As of April 1, 2008, the Company merged into the Company's parent Geometric Americas, Inc.

CONSOLIDATED SCHEDULE OF INDIRECT COSTS OF REVENUE FOR THE PERIOD ENDED MARCH 31, 2008

	US Dollar	Equivalent Rs.
Payroll taxes	2,034,083	81,037,867
Health insurance	1,061,992	42,309,761
Repairs and maintenance	738,369	29,416,621
Subcontracting	1,373,925	54,737,172
Equipment rental	69,264	2,759,478
Travel	822,762	32,778,838
Training	270,311	10,769,190
Other costs	672,659	26,798,735
	7,043,365	280,607,662

CONSOLIDATED SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES FOR THE PERIOD ENDED MARCH 31, 2008

	US Dollar	Equivalent Rs.
Salaries and wages	4,028,691	160,503,049
Insurance:		
General	201,156	8,014,055
Health	185,513	7,390,838
Taxes:		
Payroll	434,641	17,316,097
Michigan Single Business	155,087	6,178,666
Property	22,098	880,384
Office supplies	75,532	3,009,195
Telephone	290,786	11,584,914
Repairs and maintenance	199,960	7,966,406
Professional fees	470,230	18,733,963
Printing and reproduction	11,561	460,590
Postage	29,257	1,165,599
Dues and subscriptions	7,547	300,672
Commissions	184,857	7,364,703
Depreciation	369,260	14,711,318
Automobile expenses	56,609	2,255,303
Rent	1,557,923	62,067,652
Equipment rental	293,223	11,682,004
Travel	547,226	21,801,484
Meals and entertainment	155,318	6,187,869
Training and recruitment	24,955	994,207
Advertising	12,503	498,120
Utilities	222,683	8,871,691
Computer expenses	217,945	8,682,929
Outside services	111,023	4,423,156
Bad debts	1,888	75,218
Donations	1600	63,744
Miscellaneous	19,235	766,322
	9,888,337	393,951,346

FINANCIAL STATEMENTS OF GEOMETRIC SRL

DIRECTORS' REPORT

To the Members

The directors hereby present their report for the year ended March 31, 2008.

1. OPERATIONS

The total revenue of the company during the year was USD 960,347 and net loss for the year was USD 10,289.

2. SHARE CAPITAL

The Company has Share Capital equal to USD 408,395

3. DIVIDENDS

The Directors do not recommend payment of any dividend.

4. FUTURE OUTLOOK

The Company expects to perform better in the coming year.

By Order of the Board

Manu Parpia

April 18, 2008

BALANCE SHEET AS AT MARCH 31,2008

	US Dollar 2008	Equivalent Rs. 2008
ASSETS LESS LIABILITIES		
Non Current Assets		
Plant and Equipment	15,316	610,189
Current Assets		
Trade and Other Receivables	25,264	1,006,518
Cash and Bank Balances	55,912	2,227,534
	81,176	3,234,052
Current Liabilities		
Trade and other Payables	78,097	3,111,384
Provision for Taxation	1,653	65,856
	79,750	3,177,240
Net Current Assets	1,426	56,812
Net Assets	16,742	667,001
EQUITY		
Share Capital	408,395	16,270,457
Retained Profits	(391,653)	(15,603,456)
Total Equity	16,742	667,001

Exchange rate used for translation : 1USD = Rs.

39.84

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

	US Dollar 2008	Equivalent Rs. 2008
Sales	960,325	38,259,348
Other Income	22	876
	960,347	38,260,224
Cost and Expenses		
Cost of services	762,871	30,392,781
Staff costs	-	-
Depreciation	28,013	1,116,038
Other Operating Expenses	177,098	7,055,584
	967,982	38,564,403
(Loss)/Profit from Operations	(7,635)	(304,178)
Finance costs	859	34,223
(Loss) / Profit before Taxation	(8,494)	(269,956)
Taxation	1,795	71,513
Net (Loss) / Profit for the year	(10,289)	(341,469)

Exchange rate used for translation : 1USD = Rs.

39.84

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to the generally accepted accounting Principles and have been consistently applied in the preparation of the financial statements.

NOTE 2 – BASIS OF ACCOUNTING

The financial statements are prepared using the accrual method of accounting.

NOTE 3 – USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 – REVENUE RECOGNITION

Fixed Fee Projects:

Revenue is recognized using the percentage of completion method up to the amount specified on the customer contract. On a monthly basis, percentage of completion is determined and revenue is recognized based on that percentage. The corresponding entry is a debit to Unbilled Accounts receivable. Upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts receivable. All costs associated with the revenue generation are expensed, matching revenues and expenses. Invoicing schedules vary from project

to project but include billed upon completion and progress or milestone billings.

Time and Material Projects:

Revenue is recognized on a per hour basis. The revenue rate per hour is determined by the customer contract value or specification. Each hour of time incurred is multiplied by the per hour rate. The corresponding entry to revenue recognition is a debit to Unbilled Accounts Receivable, upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts Receivable.

All costs associated with the revenue generation is expensed, matching revenues and expenses. Invoicing schedules vary from project- to – project but include weekly and monthly billings.

NOTE 5 – FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/ commercial exploitation of assets.

Depreciation of fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software	3 Years
Computer Equipment:	3 Years
Office Equipment:	13 Years
Furniture & Fixtures:	10 Years
Machinery & Equipment:	13 Years
Leasehold Improvements:	Over the term of the lease

FINANCIAL STATEMENTS OF GEOMETRIC SAS, FRANCE

DIRECTORS' REPORT

To the Members

The directors hereby present their report for the year ended March 31, 2008.

1. OPERATIONS

The total revenue of the company during the year was USD 881,421 and net loss for the year was USD 558,309.

2. DIVIDENDS

The Directors do not recommend payment of any dividend.

3. FUTURE OUTLOOK

The Company expects to perform better in the coming year.

April 18, 2008

By Order of the Board
Manu Parpia

BALANCE SHEET AS AT MARCH 31, 2008

	US Dollar 2008	Equivalent Rs. 2008
ASSETS LESS LIABILITIES		
Non Current Assets		
Plant and Equipment	70,092	2,792,465
Current Assets		
Trade and Other Receivables	440,535	17,550,914
Cash and Bank Balances	147,585	5,879,786
	588,120	23,430,701
Current Liabilities		
Trade and other Payables	1,202,030	47,888,875
Provision for Taxation	-	-
	1,202,030	47,888,875
Net Current Assets	(613,910)	(24,458,174)
Net Assets	(543,818)	(21,665,709)
EQUITY		
Share Capital	48,962	1,950,646
Retained Profits	(592,780)	(23,616,355)
Total Equity	(543,818)	(21,665,709)

Exchange rate used for translation : 1USD = Rs.

39.84

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

	US Dollar 2008	Equivalent Rs. 2008
Sales	878,036	34,980,954
Other Income	3,385	134,858
	881,421	35,115,813
Cost and Expenses		
Cost of services	625,165	24,906,574
Staff costs	610,419	24,319,093
Depreciation	26,168	1,042,533
Other Operating Expenses	177,978	7,090,644
	1,439,730	57,358,843
(Loss) / Profit from Operations	(558,309)	(22,243,031)
Finance costs	-	-
(Loss) / Profit before Taxation	(558,309)	(22,243,031)
Taxation	-	-
Net (Loss) / Profit for the year	(558,309)	(22,243,031)

Exchange rate used for
translation : 1USD = Rs.

39.84

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to the generally accepted accounting Principles and have been consistently applied in the preparation of the financial statements.

NOTE 2 – BASIS OF ACCOUNTING

The Financial statements are prepared using the accrual method of accounting.

NOTE 3 – USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 – REVENUE RECOGNITION

Fixed Fee Projects: Revenue is recognized using the percentage of completion method up to the amount specified on the customer contract. On a monthly basis, percentage of completion is determined and revenue is recognized based on that percentage. The corresponding entry is a debit to Unbilled Accounts receivable. Upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts receivable. All costs associated with the revenue generation are expensed, matching revenues and expenses. Invoicing schedules vary from project to project but include billed upon completion and progress or milestone billings.

Time and Material Projects: Revenue is recognized on a per hour basis. The revenue rate per hour is determined by the customer contract value or specification. Each hour of time incurred is multiplied by the per hour rate. The corresponding entry to revenue recognition is a debit to Unbilled Accounts Receivable, upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts Receivable.

All costs associated with the revenue generation is expensed, matching revenues and expenses. Invoicing schedules vary from project- to – project but include weekly and monthly billings.

NOTE 5 – FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/ commercial exploitation of assets.

Depreciation of fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software:	3 Years
Computer Equipment:	3 Years
Office Equipment:	13 Years
Furniture & Fixtures:	10 Years
Machinery & Equipment:	13 Years
Leasehold Improvements:	Over the term of the lease

FINANCIAL STATEMENTS OF GEOMETRIC CHINA, INC.
PROFIT AND LOSS ACCOUNT FOR THE
PERIOD ENDED MARCH 31, 2008

	US Dollars 2008	Equivalent Rs. 2008
Sales	114,656	4,567,895
Other Income	154	6,135
	114,810	4,574,030
Cost and Expenses		
Cost of services	67,947	2,707,008
Staff costs	146,168	5,823,333
Depreciation	5,318	211,869
Other Operating Expenses	187,268	7,460,757
	406,701	16,202,968
(Loss) / Profit from Operations	(291,891)	(11,628,937)
Finance costs	-	-
(Loss) / Profit before Taxation	(291,891)	(11,628,937)
Taxation	-	-
Net (Loss) / Profit for the year	(291,891)	(11,628,937)
Exchange rate used for translation : 1USD = Rs.		39.84

NOTES TO FINANCIAL STATEMENTS

As of February 1, 2008, Geometric China, Inc. was no longer a subsidiary of Geometric Engineering, Inc. The net book value of the assets and liabilities as of February 1, 2008 were transferred to Geometric Asia Pacific Pte. Ltd. which is a subsidiary of Geometric Limited. The net effect of the transfer on the consolidated Financial statements was to increase retained earnings by \$712,671, which was the retained (deficit) out of which \$ 291, 891 was for the current year.

Geometric Asia-Pacific, Pte. Ltd and Subsidiaries

(Incorporated in the Republic of Singapore)
(Registration Number: 200202986 R)

Consolidated Financial Statements for the year ended March 31, 2008

Regd. Office:
78, Shenton Way #26-02 A
Singapore 079120

REPORT OF THE DIRECTORS

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Geometric Asia Pacific Pte Ltd (the “Company”) and its subsidiary (the “Group”) for the financial year ended 31st March 2008. The company was formerly known as Geometric Software Solutions Pte. Ltd., and changed its name with effect from 11 September 2007.

1. DIRECTORS

The directors of the company in office at the date of this report are:

Manu Mahmud Parpia	
Low Tiak Huan	
Ravi Shankar Gopinath	
Rajkumar Shyamlal Bidawatka	(Resigned on 30 August, 2007)
Ravishankar Gopalkrishnan	(Appointed on 14 March, 2008)
Shashank Anant Patkar	(Resigned on 14 March, 2008)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits through the acquisition of share in or debentures of the company or any other body corporate.

3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year and their interests in the shares of the Company and related corporations as recorded in the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50. were as follows:

	Holding in the name of the Directors		Other holdings in which Directors are deemed to have an interests	
	At 01.04.07	At 31.03.08	At 01.04.07	At 31.03.08
Name of Directors				
Holding Company				
Geometric Limited				
Manu Mahmud Parpia	5,987,000*	4,955,405	255,000	205,000
Low Tiak Huan	-	27,110	-	-
Ravi Shankar Gopinath	-	-	-	-
Ravishankar Gopalkrishnan	-	-	-	-
Share Options				
Manu Mahmud Parpia	-	-	-	-
Low Tiak Huan #	35,020**	3,910 [#]	-	-
Ravi Shankar Gopinath	1,400,000**	1,400,000	-	-
Ravishankar Gopalkrishnan	-	100,000 ^{##}	-	-

* Includes warrants convertible into shares of INR 2 each

** Options convertible into shares of INR 2 each

On January 14, 2008, 27,110 share options were exercised at the following price:

REPORT OF THE DIRECTORS (Contd..)

Share options	Exercise price
	INR
4,200	46.80
15,400	51.70
670	71.40
1,440	49.20
5,400	45.00

In addition, 4,000 options of ESOP 2005 were cancelled during the year.

On April 30, 2008, 100,000 share options at a price of INR 124 were granted.

Geometric Limited has issued stock options to above directors of the company. The holding company has not incurred any cost for issuing such options.

By virtue of Section 7 of the Companies Act, the above directors with shareholdings are deemed to have an interests in the shares of its subsidiary Company.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director has received or become entitled to receive a benefit (except as disclosed in the financial statements and in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. SHARE OPTIONS GRANTED

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6 AUDITORS

The auditors, Messrs. Rohan · Mah & Partners, Certified Public Accountants, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

Dr. Ravi Gopinath
Director

Ravishankar G.
Director

Singapore,
17th April, 2008

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on the following pages are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2008 and of the results of the business, changes in equity and cash flows of the Company for the year ended on that date, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized these financial statements for issue.

ON BEHALF OF THE BOARD

Dr. Ravi Gopinath
Director

Ravishankar G.
Director

Singapore,
17th April, 2008

INDEPENDENT AUDITORS, REPORT TO THE MEMBERS OF GEOMETRIC ASIA PACIFIC PTE LTD (FORMERLY KNOWN AS GEOMETRIC SOFTWARE SOLUTIONS PTE. LTD.) (INCORPORATED IN THE REPUBLIC OF SINGAPORE) AND ITS SUBSIDIARY

We have audited the accompanying consolidated financial statements of Geometric Asia Pacific Pte Ltd. (the "company") and its subsidiary (the "Group"), which comprise the consolidated balance sheet and balance sheet of the company as at 31 March 2008, and the income statement, statement of changes in equity and cash flow statement of the Group and the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheet and to maintain accountability of assets.
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence

about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion,

- The consolidated financial statements of the group and the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2008 and the results, changes in equity and cash flows of the Company and the Group for the year ended on that date; and
- the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN · MAH & PARTNERS
Certified Public Accountants
Singapore, 17th April 2008
(RK/LKC/SR/ay)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	Note	The Group 2008 S\$	2008 INR	2008 S\$	The Company 2008 INR	2007 S\$	2007 INR
ASSET LESS LIABILITIES							
Non -Current Asset							
Plant and equipment	4	40,025	1,132,307	22,149	626,595	881	25,549
Goodwill on acquisition		995,353	28,158,536	-	-	-	-
Investment in subsidiary	5	-	-	10,948	309,719	-	-
		1,035,378	29,290,844	33,097	936,314	881	25,549
Current Assets							
Trade receivables	6	2,409,016	68,151,063	2,405,425	68,049,473	1,934,566	56,102,414
Other receivables, deposits & prepayments	7	1,552,430	43,918,245	1,496,204	42,327,611	960,297	27,848,613
Cash and cash equivalents	8	1,833,447	51,868,216	1,760,100	49,793,229	1,247,138	36,167,002
		5,794,893	163,937,523	5,661,729	160,170,313	4,142,001	120,118,029
Current Liabilities							
Trade and other payables	9	4,324,568	122,342,029	3,099,196	87,676,255	3,004,594	87,133,226
Provision for taxation		375,816	10,631,835	375,090	10,611,296	247,515	7,177,935
		4,700,384	132,973,863	3,474,286	98,287,551	3,252,109	94,311,161
Net current assets		1,094,509	30,963,660	2,187,443	61,882,762	889,892	25,806,868
Net assets		2,129,887	60,254,503	2,220,540	62,819,077	890,773	25,832,417
EQUITY							
Share capital	10	100,000	2,829,000	100,000	2,829,000	100,000	2,900,000
Retained profits		2,028,729	57,392,743	2,120,540	59,990,077	790,773	22,932,417
Translation Exchanges Reserve		1,158	32,760	-	-	-	-
Total equity		2,129,887	60,254,503	2,220,540	62,819,077	890,773	25,832,417

Exchange rate used for translation : 1 SGD = Rs.

28.29

28.29

29.00

The accompanying notes form an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Note	The Group 2008 S\$	2008 INR	2008 S\$	The Company 2008 INR	2007 S\$	2007 INR
Revenue		12,645,312	357,735,876	12,619,997	357,019,715	6,170,410	178,941,890
Cost of services	11	(8,796,348)	(248,848,685)	(8,779,854)	(248,382,070)	(4,595,421)	(133,267,209)
Gross profit		3,848,964	108,887,192	3,840,143	108,637,645	1,574,989	45,674,681
Other income	12	98,050	2,773,835	98,043	2,773,636	12,708	368,532
Administrative expenses	14	(1,731,591)	(48,986,709)	(1,632,279)	(46,177,173)	(942,630)	(27,336,270)
Other operating expenses	15	(468,117)	(13,243,030)	(466,791)	(13,205,517)	54,133	1,569,857
Profit before taxation		1,747,306	49,431,287	1,839,116	52,028,592	699,200	20,276,800
Income tax expenses	16	(509,350)	(14,409,512)	(509,350)	(14,409,512)	(257,243)	(7,460,047)
Net profit for the year		1,237,956	35,021,775	1,329,766	37,619,080	441,957	12,816,753

Exchange rate used for translation : 1 SGD = Rs.

28.29

28.29

29.00

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008

	Share Capital	Share Capital	Translation exchange Reserve	Translation exchange Reserve	Retained Profits	Retained Profits	Total	Total
	S\$	INR	S\$	INR	S\$	INR	S\$	INR
As at 1 April, 2006 - Company	100,000	2,829,000	-	-	348,816	9,868,005	448,816	12,697,005
Net profit for the year	-	-	-	-	441,957	12,502,964	441,957	12,502,964
As at 31 March 2007 - Company	100,000	2,829,000	-	-	790,773	22,370,968	890,773	25,199,968
Movement for the year	-	-	1,158	32,760	-	-	1,158	32,760
Net profit for the year	-	-	-	-	1,237,956	35,021,775	1,237,956	35,021,775
As at 31 March 2008 - Group	100,000	2,829,000	1,158	32,760	2,028,729	57,392,743	2,129,887	60,254,503

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

Note	2008	2008	The Group 2008	2008	2007	The Company 2007	
		S\$	INR	S\$	INR	S\$	INR
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before tax		1,747,306	49,431,287	1,839,116	52,028,592	699,200	20,276,800
Adjustments for:							
Depreciation of plant and equipment		6,580	186,148	5,254	148,636	2,337	67,773
Interest income		(41,959)	(1,187,020)	(41,952)	(1,186,822)	(8,772)	(254,388)
Operating profit before working capital changes		1,711,927	48,430,415	1,802,418	50,990,405	692,765	20,090,185
Trade and other receivables		(1,005,442)	(28,443,954)	(1,006,766)	(28,481,410)	(1,831,909)	(53,125,361)
Trade and other payables		184,232	5,211,923	94,656	2,677,818	1,765,192	51,190,568
Cash generated from operations		890,717	25,198,384	890,308	25,186,813	626,048	18,155,392
Interest received		41,959	1,187,020	41,952	1,186,822	8,772	254,388
Taxation paid		(381,049)	(10,779,876)	(381,828)	(10,801,914)	(9,728)	(282,112)
Net cash generated from operating activities		551,627	15,605,528	550,432	15,571,721	625,092	18,127,668
CASH FLOWS FROM INVESTING ACTIVITY							
Acquisition of plant and equipment		(26,539)	(750,788)	(26,552)	(751,156)	-	-
Investment in subsidiary		-	-	(10,948)	(309,719)	-	-
Acquisition of subsidiary, net of cash		61,221	1,731,942	-	-	-	-
Net cash generated from/(used in) investing activities		34,682	981,154	(37,500)	(1,060,875)	-	-
Net increase in cash and cash equivalents		586,309	16,586,682	512,962	14,511,695	625,092	18,127,668
Cash and cash equivalents at beginning of year		1,247,138	35,281,534	1,247,138	35,281,534	622,046	18,039,334
Cash and cash equivalents at end of year		1,833,447	51,868,216	1,760,100	49,793,229	1,247,138	36,167,002
Cash and cash equivalent comprise:							
Cash and bank balances		1,833,447	51,868,216	1,760,100	49,793,229	1,247,138	36,167,002
Exchange rate used for translation : 1 SGD = Rs.			28.29		28.29		29.00

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Geometric Asia Pacific Pte Ltd (the “Company”) is a limited liability company incorporated in Singapore with its registered office at 78 Shenton Way, #26-02A, Singapore 079120 and principal place of business at Blk 231 Yishun Street 21 #12- 408, Singapore 760231. The consolidated financial statements of the company for the year ended 31 March 2008 relate to the company and its subsidiary (together referred to as the “Group”).

The principal activities of the Company in the course of the financial year are those of software development services and sale of software products. There have been no significant changes in the nature of these activities during the financial year.

The principal activity of the subsidiary is the designing of automobiles and their spare parts.

The Company is a wholly-owned subsidiary of Geometric Limited (formerly known as Geometric Software Solutions Company Limited), a company incorporated in India, which is also the Company’s ultimate holding corporation.

The financial statements of the Company for the year ended 31 March, 2008 were authorised for issue in accordance with a resolution of the Directors on 17th April, 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements, expressed in Singapore dollars (SGD or S\$) are prepared on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company’s accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgment or complexity, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2007.

On 1 January 2007, the Group adopted the new or revised FRS that are mandatory for application from that date.

Changes to the Group’s accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS.

The following are the FRS that is relevant to the Group:

FRS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
FRS 107	Financial Instruments: Disclosures

The adoption of the above FRSs did not result in substantial changes to the Group’s accounting policies except as disclosed in Note 3.

The Group has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the result of current or prior years.

2.2. Basis of Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de – consolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of the net results of operations and of the net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of the changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently report profits, the profits applicable to the minority are attributed to the equity holders of the Company until the minority's share of losses previously absorbed by the equity holders of the Company has been recovered.

Please refer to Note 2.3 for the Company's accounting policy on the investment in subsidiaries.

2.3 Subsidiary

A subsidiary is a company in which the Company, directly or indirectly, holds more than 50% of the issued capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investment in a subsidiary at the Company level is accounted for at cost less any impairment Losses.

On disposal of investments in a subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognized in the income statement.

2.4 Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Negative goodwill arises when the reverse situation occurs.

Goodwill is recognized separately as intangible assets and carried at cost less accumulated impairment loss.

Negative goodwill is recognized in the income statement immediately upon the acquisition of subsidiaries.

2.5 Plant and Equipment**2.5.1 Plant and Equipment**

All other items of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.5.2 Components of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended

by management.

2.5.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of the assets over their estimated useful lives as follows:

	Years
Computer	3
Building fixtures	10
Furniture and fittings	3 – 5
Office equipments	3

The useful life of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.5.4 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as an expense in the income statement during the financial year in which it is incurred.

2.5.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

2.6 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in the income statement as follows:

2.6.1 Time and Material Contracts

Revenue from time and material contracts for software development is recognized on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are dispatched to customers.

2.6.2 Fixed Price Contracts

In case of fixed price contracts, revenue is recognised on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

2.6.3 Other Revenue

Revenue from sale of traded software products and software upgradation fee is recognized when the sale has been completed with the passing of the title. Revenue from software upgrading fees on software developed by the Group is recognized over the period for which it is received.

2.6.4 Interest Income

Interest income is measured on a time proportion basis using the effective interest method.

2.7 Foreign Currencies

2.7.1 Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the “functional currency”). The financial statements are presented in Singapore dollar, which is the Group’s functional and presented in Singapore dollar, which is the Group’s functional and presentation currency.

2.7.2 Foreign Currencies Transactions

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Singapore dollar at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income statement.

2.7.3 Translation of Group entities’ financial statements

The results and financial position of group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) Income and expenses for each income statements are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the translation dates, in which case income and expenses are translated at the dates of the transactions); and
- (c) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on acquisition of a foreign entity on or after 1 January 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.8 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non – current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

2.9 Related Parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short term, highly liquid investments which are readily convertible in to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group’s cash management.

2.11 Impairment of Non – Financial Assets

- 2.11.1 Plant and Equipment
 - Investment in subsidiary
 - Deferred expenditure

Plant and equipment, investments in subsidiary, deferred expenditure and other receivable are

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

reviewed for impairment whenever there is any indication that these assets may be impaired, if any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the Cash-Generating-Units (CGU) to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount on an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised for asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.11.2 Goodwill

Goodwill is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash – generating – units (CGU) expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU.

Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value in use.

The total impairment loss of CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro – rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent

period.

2.12 Trade and Other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash, discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement.

Other receivable are stated at fair value and subsequently measured at amortised cost, using effective interest method.

Liabilities for trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest – bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest – bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

Gains and losses are recognised in the income statement when the liabilities are derecognized as well as through the amortization process.

2.13 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but not only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.15 Leases

2.15.1 Finance Leases

Leases of assets in which the Group assumes substantially the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payments is allocated between the liability and finance charges so as to achieve a constant rate on the finance balances outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charges is taken to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.15.2 Operating Leases

Lease of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are taken to the income statement on a straight- line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payments required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.16 Employee Benefits

2.16.1 Defined Contribution Plans

Defined contribution plans are post-employment benefit plans which the Group pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to defined contribution plans are recognised in the financial year to which they relate.

2.17 Income Taxes

Current income tax liability (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or

substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profits or loss.

Deferred income tax assets is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at :

- (i) The tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date; and
- (ii) The tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the income statement for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available- for – sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)**Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of plant and equipment

The costs of plant and equipment are depreciated on straight- line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets therefore future depreciation charges could be revised.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group- wide provisions for income taxes. There are certain transactions and

computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of advance costs

The Group determines the recoverability of the costs incurred on contracts that cannot be billed. This determination requires significant judgement. The Group exercises its judgement using historical and industry trends, general market conditions, forecasts and other available information. An error in the judgement may impact the amount of advance cost to be carried in the balance sheet.

4 PLANT AND EQUIPMENT**The Group**

2008		Computer & Fittings S\$	Furniture Fixtures S\$	Building Equipments S\$	Office Total S\$
Cost					
At 01.04.07	25,108	1,381	-	3,379	29,868
Additions	3,039	11,528	11,955	-	26,552
Disposals	-	-	-	-	-
At 31.03.08	28,147	12,909	11,955	3,379	56,390
Accumulated Depreciation					
At 01.04.07	9,360	123	-	302	9,785
Depreciation for the year	3,154	3,383	-	43	6,580
	12,514	3,506	-	-	16,365
Carrying Amount	15,633	9,403	11,955	3,034	40,025

The Company

2008		Computer & Fittings S\$	Furniture Fixtures S\$	Building Equipments S\$	Office Total S\$
Cost At 01.04.07	7,009	-	-	-	7,009
Additions	3,039	11,528	11,955	-	26,552
Disposals	-	-	-	-	-
At 31.03.08	10,048	11,528	11,955	-	33,531
Accumulated Depreciation					
At 01.04.07	6,128	-	-	-	6,128
Depreciation for the year	1,894	3,360	-	-	5,254
	8,022	3,360	-	-	-
Carrying Amount	2,026	8,168	11,955	-	22,149

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

The Company- Contd..

2007	S\$	Computer & Fittings S\$	Furniture Fixtures S\$	Building Equipments S\$	Office Total S\$
Cost					
At 01.04.06 and 31.03. 07	7,009	-	-	-	7,009
Accumulated Depreciation					
At 01.04.06	3,791	-	-	-	3,791
Depreciation for the year	2,337	-	-	-	2,337
At 31.03.07	6,128	-	-	-	6,128
Carrying Amount					
At 31.03.07	881	-	-	-	881

5. INVESTMENT IN SUBSIDIARIES

	31.03.08 S \$	31.03.07 S \$
Unquoted equity, at cost	10,948	-

Details of the subsidiary are as follows:

Name of Company	Country of Incorporation	Effective equity held by the Group		Cost of Investment	
		31.03.08 (%)	31.03.07 (%)	31.03.08 (S \$)	31.03.07 (S \$)
You hua engineering Machinery Design Corporation	China	100	-	10,948	-

The principal activity of its subsidiary is the designing of automobiles and their spare parts.

On 18 January 2008, the Company has entered into an agreement with Mr. Michael McConnell, CEO of Geometric Engineering Inc. in USA to acquire the entire equity of USD 140,000 free of charge. The effective date of the share transfer is on 1 February 2008. The cost of investment of S\$ 10,948 relate to the professional fees for the share transfer.

6. TRADE AND OTHER RECEIVABLES

	The Group 2008 S\$	The Company 2008 S\$	2007 S\$
Trade receivables	2,435,690	2,432,099	1,944,156
Less Allowance of doubtful debts			
Balance at beginning of year	9,590	9,590	9,833
Provision made during the year	17,298	17,298	695
Provision utilised during the year	-	-	-
Provision released during the year	(214)	(214)	(938)
Balance at end of year	(26,674)	(26,674)	(9,590)
	2,409,016	2,405,425	1,934,566

The carrying amounts of current trade receivables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

The Company and the Group does not have concentration of credit risk in respect of a customer or a group of customers.

Trade receivables are denominated in the following currencies:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Japanese Yen	858,519	858,519	615,693
Singapore Dollar	27,000	27,000	20,035
United States Dollar	1,523,497	1,519,905	1,294,039
Korean Won	-	-	4,799
	2,409,016	2,405,425	1,934,566

7. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Other receivables (current)			
Advance costs	1,264,475	1,264,475	859,590
Deposits	135,833	79,607	27,749
Prepayment	76,105	76,105	36,788
Amount due from staff	76,017	76,017	36,170
	1,552,430	1,498,204	960,297

The carrying amounts of current other receivables approximate their fair values.

Other receivables are denominated in the following currencies:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Japanese Yen	207,623	207,623	82,489
Singapore Dollar	22,351	22,351	23,017
United States Dollar	1,320,701	1,264,475	859,590
Korean Won	1,755	1,755	(4,799)
	1,552,430	1,498,204	960,297

8 CASH AND CASH EQUIVALENTS

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Cash & cash equivalent	1,833,447	1,760,100	1,247,136

The carrying amounts of cash & cash equivalents approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

Cash & cash equivalents are denominated in the following currencies:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Japanese Yen	712,843	712,843	324,557
Singapore Dollar	159,025	159,025	46,279
United States Dollar	924,933	851,586	801,782
Korean Won	36,646	36,646	520
	1,833,447	1,760,100	1,247,138

9 TRADE AND OTHER PAYABLES

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Trade payables	83,403	39,139	-
Advance billings	47,148	47,148	331,195
Amount due to holding corporation			
-trade	3,687,771	2,508,633	2,436,225
Accrued operating expenses	414,086	412,116	237,174
Amount due to directors	92,160	92,160	-
	4,324,568	3,099,196	3,004,594

Trade and other payables are denominated in the following currencies:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Japanese Yen	878,465	878,465	547,173
Singapore Dollar	2,217,198	2,217,198	1,882,735
United States Dollar	1,228,905	3,533	567,450
Korean Won	-	-	7,236
	4,324,568	3,099,196	3,004,594

10. SHARE CAPITAL

		2008 S\$	2007 S\$
No. of shares	No. of shares		
Ordinary shares issued and fully paid	100,000	100,000	100,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)**11. COST OF SERVICES**

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Cost of services include the following:			
Staff costs	3,045,621	3,030,680	1,814,416
Wages, salaries and related costs			
Defined contribution pension costs	409,753	408,300	200,813
	3,455,374	3,438,880	2,015,229

12. OTHER INCOME

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Interest income	41,959	41,952	8,772
Other	56,091	56,091	3,936
	98,050	98,043	12,708

13. STAFF COSTS

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Staff costs (including executive directors)			
Salaries, bonus and other related costs	3,080,259	3,883,268	2,302,699
Defined contribution pension costs	417,138	438,360	226,440
	3,497,397	4,321,628	2,529,139
Less : included in cost of services	(3,455,374)	(3,438,880)	(2,015,229)
	42,023	882,748	513,910

14. ADMINISTRATION EXPENSES

Administration expenses include:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Provision for doubtful debts – trade (net)	16,814	16,814	(243)
Professional fees	112,270	105,194	103,141
Sales commission	260,683	260,683	94,693
Travelling expenses	162,558	159,858	86,690

15. OTHER OPERATING EXPENSES

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Depreciation	6,580	5,254	2,337
Loss on foreign exchange	620,501	620,501	7,405
Gain on foreign exchange	(158,964)	(158,964)	(63,875)
	468,117	466,791	(54,133)

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

16. INCOME TAX EXPENSES

Major components of income tax expenses for the year ended 31 March 2008 were:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Based on results for the year:			
Current Taxation			
Current year	154,870	154,870	-
Under – provision in prior year	3,032	3,032	3,057
Foreign tax	351,338	351,338	254,186
	509,350	509,350	257,243

A reconciliation between the tax expenses and the product of the accounting profit multiplied by the applicable tax rate for the year ended 31 March 2008 was as follows:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Profit before taxation	1,747,306	1,839,116	699,200
Tax expenses on profit before tax at 18% (2007:20%)	314,516	334,043	121,866
Non-deduction expenses	341	341	867
Unutilised tax losses	-	-	-
Under provision in prior years	3,032	3,032	3,057
Tax exemption	(27,450)	(27,450)	(3,031)
Others	157	157	26,119
Utilisation of capital allowances	(547)	(547)	-
Difference in tax rate	219,302	199,774	135,459
Income tax as per income statement	509,350	509,350	257,243

Unrecognised deferred tax assets:

Deferred tax assets have not been recognised in respect of the following items :

Other	365	365	(176)
Tax losses	-	-	5,344

Deferred tax asset in respect of the above item relates to tax losses incurred. The amount has not been recognised in the financial statements, as the amount is immaterial.

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)**17. SIGNIFICANT RELATED PARTIES TRANSACTIONS**

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Holding company			
Purchase from	-	5,340,974	2,580,192
Advances from	-	1,508,633	-

Directors' remuneration

The company directors' remuneration amounts to S\$ 191,520 (2007: S\$ 151,293).

Rental Paid to a Director

Rental paid to a director amounts to S\$ 750 (2007: S\$ 3,000).

18. OPERATING LEASE COMMITMENT

Rental expenses for office was S\$ 52,781 (2007 : S\$ 21,747). The lease have varying terms, escalation clauses and renewal rights. Future minimum rental under non – cancellable leases contracted for at balance sheet data but not recognised as liabilities are as follows as at 31 March:

	The Group 2008 S\$	The Company 2008 S\$	The Company 2007 S\$
Payable within 1 year	74,467	74,467	30,968
Payable within 2 – 5 years	49,645	49,645	12,903

19. ACQUISITION OF SUBSIDIARY

On 18 January, 2008, the Company has entered into an agreement with Mr. Michael McConnell, CEO of Geometric Engineering Inc. in USA to acquire the entire equity of USD 140,000 free of charge. The effective date of the share transfer is on 1 February, 2008.

	Carrying amounts 2008 S\$	Fair value adjustments 2008 S\$	Recognised Value 2007 S\$
Plant and equipment	19,186	-	19,186
Cash and cash equivalents	72,167	-	72,167
Other receivables	59,984	-	59,984
Other payables	(1,135,742)	-	(1,135,742)
Net identifiable assets and liabilities	(984,405)	-	(984,405)
Goodwill on acquisition			995,353
Cash consideration paid, satisfied in cash			10,948
Cash acquired			72,167
Net cash flow			61,221

Pre acquisition carrying amounts were determined based on applicable FRSs immediately before the acquisition. The values of

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)

assets and liabilities recognised on acquisition are their estimated fair value.

20. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit, foreign currency, and interest rate and liquidity risks. The policies of managing each of these risks are summarised below:

Credit risk

Credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Group. The Group's customer portfolio is diversified and there is no reliance on any customer. The Group monitors its credit collection regularly as a means of managing credit risk.

Foreign currency risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Group in the current reporting period and in the future years. The Group relies on natural hedges of matching foreign currency denominated assets and liabilities. Consistent effort has also been employed by the company to keep track of exchange rate fluctuations such that funds are converted at favourable exchange rates.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The tables below set out the Group's exposure to interest rate risks. Included in the tables are the assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

Liquidity risk

Liquidity risk refers to the risk that the Group is unable to meet its obligations when fall due. The Group monitors its cash flow and it's collections on a regular basis as a means of managing liquidity risk.

Fair value of Financial Instruments

There are no other differences between the book value and the fair value of the Group's financial assets and liabilities. The Group doesn't engage in transactions involving financial derivatives

21. COMPARATIVE FIGURES

There is no comparative figures at the Group level as there was no subsidiary for the prior year.

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	2008 S\$	2007 S\$
Revenue	12,619,997	6,170,410
COST OF SALES		
COS – CPF/House Funds	408,301	200,813
COS – Insurance	261,329	165,227
COS – Salaries	2,504,731	1,425,921
COS – Software services	5,340,974	2,580,191
	8,779,854	4,595,421
Gross profit	3,840,143	1,574,989
Other Incomes		
Interest income	41,952	8,772
Other income	56,091	3,936
	98,043	12,708
	3,938,186	1,587,697
Less:		
Administration expenses	1,632,279	942,630
Other Operating expenses	466,791	(54,133)
	2,099,070	888,497
Profit before taxation	1,839,116	699,200

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2008 (Contd..)**SCHEDULE OF OPERATING EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2008**

	2008	2007
	S\$	S\$
Administration expenses		
Accountancy fees	66,271	43,550
Advertisement	66,656	-
Audit fee	24,752	-
Bad debts	16,814	695
Bank Charges	16,367	8,673
CPF contributions	30,060	25,627
Director Sales commission	68,201	-
Director's emoluments	112,811	119,104
Entertainment	19,863	12,436
Freight charges	-	3
General expenses	13,714	8,568
Gifts	200	70
Insurance	25,615	15,823
Late payment charges	-	165
Medical fees	120	346
Office rental	58,516	24,747
Office supplies	12,133	2,183
Other loss	56	-
Postage and courier	5,114	4,414
Printing and stationary	2,196	6,498
Professional fees	105,194	103,141
Repair and maintenance of office	-	1,050
Repair and maintenance of office equipment	-	986
Salaries, allowances and bonus	410,994	274,486
Sales commission	260,683	94,693
Secretarial and filing fees	4,547	2,236
Staff accommodation	10,375	4,884
Staff welfare	9,560	4,411
Tax fee	7,981	368
Telephone charges	47,149	50,572
Travelling expenses	159,858	86,690
Utilities	2,825	1,658
	1,632,279	942,630
Other operating expenses		
Depreciation of plant and equipment	5,254	2,337
Gain on foreign exchange (unrealised)	(158,964)	(33,741)
Loss on foreign exchange (realised)	167,188	7,405
Loss on foreign exchange (unrealised)	453,313	(30,314)
	466,791	(54,133)
Total operating expenses	2,099,070	888,497

FINANCIAL STATEMENTS OF GEOMETRIC CHINA, INC.

DIRECTORS' REPORT

To the Members

The directors hereby present their report for the year ended March 31, 2008.

1. OPERATIONS

As of February 1, 2008, Geometric China, Inc. was no longer a subsidiary of Geometric Engineering, Inc. The net book value of the assets and liabilities as of February 1, 2008 were transferred to Geometric Asia Pacific Pte. Ltd. which is a subsidiary of Geometric Limited.

The revenue of the company for the last two months was SGD 25,322 and net loss for the period was SGD 91,810.

2. DIVIDENDS

The Directors do not recommend payment of any dividend.

3. FUTURE OUTLOOK

The Company expects to perform better in the coming year.

April 18, 2008

By Order of the Board
Dr. Ravi Gopinath

BALANCE SHEET AS AT MARCH 31, 2008

	SGD 2008	Equivalent Rs. 2008
ASSETS LESS LIABILITIES		
Non Current Assets		
Plant and Equipment	17,876	505,719
Current Assets		
Trade and Other Receivables	59,817	1,692,223
Cash and Bank Balances	73,347	2,074,981
	133,164	3,767,204
Current Liabilities		
Trade and other Payables	1,225,372	34,665,774
Provision for Taxation	726	20,545
	1,226,098	34,686,319
Net Current Assets	(1,092,934)	(30,919,115)
Net Assets	(1,075,058)	(30,413,396)
EQUITY		
Share Capital	-	-
Retained Profits	(1,075,058)	(30,413,396)
Total Equity	(1,075,058)	(30,413,396)

Exchange rate used for translation : 1SGD = Rs.

28.29

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008

	SGD 2008	Equivalent Rs. 2008
Sales	25,315	716,168
Other Income	7	206
	25,322	716,373
Cost and Expenses		
Cost of services	16,494	466,628
Staff costs	48,450	1,370,651
Depreciation	2,268	64,172
Other Operating Expenses	49,920	1,412,242
	117,133	3,313,692
(Loss) / Profit from Operations	(91,810)	(2,597,318)
Finance costs	-	-
(Loss) / Profit before Taxation	(91,810)	(2,597,318)
Taxation	-	-
Net (Loss) / Profit for the year	(91,810)	(2,597,318)

Exchange rate used for
translation : 1SGD = Rs.

28.29

NOTES TO FINANCIAL SATATEMENTS

NOTE 1 – BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these financial statements. The policies conform to the generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

NOTE 2 – BASIS OF ACCOUNTING

The financial statements are prepared using the accrual method of accounting.

NOTE 3 – USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 – REVENUE RECOGNITION

Fixed Fee Projects: Revenue is recognized using the percentage of completion method up to the amount specified on the customer contract. On a monthly basis, percentage of completion is determined and revenue is recognized based on that percentage. The corresponding entry is a debit to Unbilled Accounts receivable. Upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts receivable. All costs associated with the revenue generation are expensed, matching revenues and expenses. Invoicing schedules vary from project to project but include billed upon completion and progress or milestone billings.

Time and Material Projects: Revenue is recognized on a per hour basis. The revenue rate per hour is determined by the customer contract value or specification. Each hour of time incurred is multiplied by the per hour rate. The corresponding entry to revenue recognition is a debit to Unbilled Accounts Receivable, upon invoicing the project, the balance in Unbilled Accounts Receivable is transferred to Billed Accounts Receivable.

All costs associated with the revenue generation is expensed, matching revenues and expenses. Invoicing schedules vary from project- to – project but include weekly and monthly billings.

NOTE 5 – FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/ commercial exploitation of assets.

Depreciation of fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software:	3 Years
Computer Equipment:	3 Years
Office Equipment:	13 Years
Furniture & Fixtures:	10 Years
Machinery & Equipment:	13 Years
Leasehold Improvements:	Over the term of the lease

Geometric Technologies, Inc.

Audited Financial Statements
for the year ended March 31, 2008

16121 N 78th Street
Suite 101, Scottsdale, AZ 85260, USA

DIRECTORS' REPORT

To The Members

The Directors hereby present their Report for the year ended March 31, 2008.

1. OPERATIONS

During the year, the Company registered total revenue of USD 5,076,677 which resulted in a net income of USD 73,378.

2. SHARE CAPITAL

During the year, there was no change in share capital of the Company.

3. DIVIDENDS

The Directors do not recommend payment of any dividend.

5. FUTURE OUTLOOK

The Company expects to perform better in the coming years.

April 16, 2008

By Order of the Board

Manu Parpia

REPORT OF THE AUDITORS

TO THE BOARD OF DIRECTORS OF GEOMETRIC TECHNOLOGIES INC.

1. We have audited the attached Balance Sheet of Geometric Technologies Inc. as at March 31, 2008 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto, for the purpose of consolidation as per accounting principles prevalent in India with the accounts of its Holding Company. 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 that our audit provides a reasonable basis for our opinion.
3. Further, we 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 such books.
 - c. The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (to the extent applicable).
 - e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, 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 March 31, 2008;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

ANIL A KULKARNI
Membership no. 47576
Pune; Date April,16,2008

BALANCE SHEET AS AT MARCH 31, 2008

	(Amount in US \$)		(Equivalent Amount in Rupees)	
	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-08	As at 31-Mar-07
ASSETS				
Current Assets				
Cash	1,023,485	224,255	40,775,642	9,775,275
Accounts receivable, net of allowance for doubtful accounts of \$ 72,181 (Previous year \$ 14,500)	1,094,286	941,135	43,596,354	41,024,075
Prepaid Expenses	69,003	125,654	2,749,080	5,477,258
Advance Payment of Taxes	46,262	-	1,843,078	-
Advances to Employees	-	422	-	18,395
Total Current Assets	2,233,036	1,291,466	88,964,154	56,295,003
Property and Equipment, net of accumulated depreciation of \$ 429,374 (Previous year \$ 376,152)	72,845	101,052	2,902,145	4,404,857
Goodwill	1,979,663	2,262,472	78,869,774	98,621,154
Total Assets	4,285,544	3,654,990	170,736,073	159,321,014
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable	143,957	96,996	5,735,247	4,228,056
Inter-company Payable	424,609	297,806	16,916,423	12,981,364
Accrued Expenses	321,766	2,659	12,819,157	115,906
Compensated Absences	53,160	50,860	2,117,894	2,216,987
Income Taxes Payable	98,160	99,648	3,910,694	4,343,656
Notes payable inter-company, current	37,500	30,000	1,494,000	1,307,700
Capital Lease Obligations, current	-	10,805	-	470,990
Deferred Revenue	572,273	450,460	22,799,356	19,635,551
Total Current Liabilities	1,651,425	1,039,234	65,792,771	45,300,210
Notes payable, inter-company, less current portion	-	45,000	-	1,961,550
Capital Lease Obligations, less current portion	-	10,015	-	436,554
Total Liabilities	1,651,425	1,094,249	65,792,771	47,698,314
SHAREHOLDERS EQUITY				
Common Stock, no par, 10,000 shares authorized, 7,583 shares issued and outstanding	2,062,771	2,062,771	82,180,797	89,916,188
Retained Earnings	571,348	497,970	22,762,505	21,706,512
Total Shareholders Equity	2,634,119	2,560,741	104,943,302	111,622,700
Total Liabilities and Shareholders Equity	4,285,544	3,654,990	170,736,073	159,321,014
Exchange rate used for translation. 1 USD = Rs.			39.84	43.59

(The accompanying notes are an integral part of these financial statements)

For and on behalf of
KALYANIWALLA MISTRY AND ASSOCIATES

CHARTERED ACCOUNTANTS

Anil A. Kulkarni
Partner

Date April 16,2008

For and on behalf of the Board

Manu Parpia
Director

Dr. Ravi Gopinath
Director

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED MARCH 31, 2008

	(Amount in US\$)		(Equivalent Amount in Rupees)	
	For the year ended 31-Mar-08	For the year ended 31-Mar-07	For the year ended 31-Mar-08	For the year ended 31-Mar-07
REVENUE:				
Sales- Software Packages and Services	5,074,368	4,767,828	202,162,821	207,829,623
Other Revenue	2,309	152,214	91,991	6,635,008
Total Revenue	5,076,677	4,920,042	202,254,812	214,464,631
COST AND EXPENSES:				
Software Development, Maintenance and Services	3,016,823	2,592,225	120,190,228	112,995,088
Sales and Marketing	877,574	775,416	34,962,548	33,800,383
General and Administrative Expenses	722,004	849,506	28,764,639	37,029,967
Depreciation	53,223	68,179	2,120,404	2,971,923
Total Costs and Expenses	4,669,624	4,285,326	186,037,819	186,797,361
Income From Operations	407,053	634,716	16,216,993	27,667,270
OTHER INCOME (EXPENSE)				
Interest Income	171	5,942	6,813	259,012
Office Space Rental	50,633	50,633	2,017,219	2,207,092
Interest Expense	(3,490)	(8,677)	(139,042)	(378,230)
Amortization of Goodwill	(282,809)	(282,809)	(11,267,111)	(12,327,644)
Total Other Income (Expense)	(235,495)	(234,911)	(9,382,121)	(10,239,770)
INCOME BEFORE PROVISION FOR INCOME TAXES	171,558	399,805	6,834,872	17,427,500
Provision for Income Taxes	98,180	188,550	3,911,492	8,218,895
NET INCOME	73,378	211,255	2,923,380	9,208,605
Retained Earnings, Beginning	497,970	286,715	19,839,125	12,497,907
Retained Earnings, Ending	571,348	497,970	22,762,505	21,706,512
Earnings per share (Basic/Diluted)	9.68	27.86	385.52	1,214.37
Exchange rate used for translation. 1 USD = Rs.			39.84	43.59

(The accompanying notes are an integral part of these financial statements)

For and on behalf of

For and on behalf of the Board

KALYANIWALLA MISTRY AND ASSOCIATES

CHARTERED ACCOUNTANTS

Anil A. Kulkarni

Partner

Date April 16, 2008

Manu Parpia

Director

Dr. Ravi Gopinath

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	(Amount in US \$)		(Equivalent Amount in Rupees)	
	For the year ended 31-Mar-08	For the year ended 31-Mar-07	For the year ended 31-Mar-08	For the year ended 31-Mar-07
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income before Taxes	171,558.00	399,805.00	6,834,871.00	17,427,500.00
Adjustments to reconcile net income to net cash used by operating activities				
Depreciation	53,223	68,179	2,120,404	297,192.3
Amortization of Goodwill	282,809	282,809	11,267,111	12,327,644
Interest (net)	3319	2735	132,229	119,219
Changes in Assets and Liabilities				
Decrease/(Increase) in Account Receivable	(153,152)	90,759	(6,101,576)	395,616.7
Decrease/(Increase) in Prepaid Expenses	56,651	(85,588)	2,256,976	(373,078.1)
Decrease/(Increase) in Advances to Employees	422	2,148	16,812	93,631
Increase/(Decrease) in Account Payable	46,651	(335,751)	1,870,926	(146,353.86)
Increase/(Decrease) in Inter - company Payable	126,803	65,387	5,051,832	285,021.9
Increase/(Decrease) in Accrued Expenses	319,107	1957	12,713,223	85,306
Increase/(Decrease) in Compensated Absence	2,300	5,271	91,632	229,763
Increase/(Decrease) in Deferred Revenue	121,813	(85,298)	4,853,030	(371,814.0)
Direct Taxes paid (Provision for advance tax reversed)	(145,930)	(202,717)	(5,813,851)	(883,643.4)
Net cash generated by operating activities	885,884	78,922	35,293,619	3,440,193
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Property and Equipment	(25,015)	(44,401)	(996,598)	(193,542.6)
Interest Income	171	5,942	6,813	259,012
Net cash used by investing activities	(24,844)	(38,459)	(989,785)	(167,641.4)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of Inter - company note payable	(37,500)	-	(149,400.0)	-
Repayment of capital lease obligations	(20,820)	(8,693)	(829,469)	(378,928)
Interest expenses	(3,490)	(8,677)	(139,042)	(378,230)
Net cash used by financing activities	(61,810)	(17,370)	(246,251.1)	(757,158)
NET INCREASE IN CASH AND CASH EQUIVALENTS	799,230	23,093	31,841,323	1,006,623
Cash and Cash Equivalents at the Beginning of the Year	224,255	201,162	8,934,319	8,768,652
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,023,485	224,255	40,775,642	9,775,276
Exchange rate used for translation. 1 USD = Rs.			39.84	43.59

(The accompanying notes are an integral part of these financial statements)

For and on behalf of

KALYANIWALLA MISTRY AND ASSOCIATES

CHARTERED ACCOUNTANTS

Anil A. Kulkarni
Partner

Date April 16, 2008

For and on behalf of the Board

Manu Parpia
Director

Dr. Ravi Gopinath
Director

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

The Company develops, produces and markets computer-aided design (CAD), computer-aided manufacturing (CAM), estimating, layout, routing and direct numerical control (DNC) software for job shops and the machining industry. The Company also provides consulting, education and support services on these software products. The Company markets and distributes its products to business and industry worldwide.

Accounting principles:

The financial statements and accompanying notes have been prepared in conformity with accounting principles generally accepted in India.

Cash and cash equivalents:

The Company considers cash and cash deposits with original maturities of less than 90 days as cash equivalents.

Concentration of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash deposits in excess of FDIC limitations, and trade accounts receivable. The Company places its cash and cash equivalents with high-quality financial institutions. With respect to accounts receivable, such receivables arising from sales are not collateralized. The company performs ongoing credit evaluations of its customers' financial condition. The Company maintains an allowance for doubtful accounts for potential credit losses and such losses, in the aggregate, have not exceeded management expectations.

Fair value of financial instruments:

The carrying amount of cash, accounts receivable, accounts payable, and notes payable approximates fair value due to short-term nature of these instruments.

Allowance for doubtful accounts:

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of customers to make required payments. This allowance is established using estimates that the Company makes based on factors such as the composition of the accounts receivable ageing, historical bad debts, changes in payment patterns, customer creditworthiness and current economic trends.

Inventories:

The Company expenses as incurred various materials and supplies used to produce, package and ship its products. The Company had an insignificant amount of supplies on hand at March 31, 2008.

Prepaid expenses:

Prepaid expenses for maintenance and insurance contracts are amortized on a straight-line basis over the term of the 12 month agreements.

Software development cost:

In accordance with India's Statement of Accounting Standards No. 26, "Intangible Assets", Software costs are capitalized if, and only if, it is probable that the economic benefits that are attributable to the assets will flow to the Company and the cost can be measured reliably. Because the dynamic, constantly changing nature of the software industry renders a determination of future economic benefits by product line difficult and the Company does not have a cost-effective system to separately track developer's research, development and technical support time, these costs are expensed as incurred.

Goodwill:

The Company's goodwill is recorded in accordance with the Accounting Standard 26 "Intangible Assets" and is amortized over a period of ten years.

Property and Equipment and depreciation:

Property and equipment, which consist primarily of office and computer equipment, is stated at cost and is depreciated over the estimated useful lives of the assets, 3 to 7 years using the straight line method. Maintenance and repair costs are expensed as incurred. Improvements that extend the useful life of the assets are capitalized to property and equipment accounts and amortized over the remaining useful lives.

Revenue and Cost recognition:

Revenue from product sales and related training services is recognized upon customer delivery of the product and training services performed provided that no significant contractual obligations remain. Customer acceptance is realized after either the customer pays for the software or upon receiving written documentation of customer acceptance.

Revenues also include separate maintenance fees whereby the Company provides ongoing customer support and product upgrades. Such fees are reflected as deferred revenue and amortized ratably over the term of the maintenance period ranging from 12 to 36 months, which begins after the expiration of free support included with the initial purchase of the software for some of the Company's products. Deferred revenue as at March 31, 2008 includes deferred maintenance fees approximately \$ 546,711 (Rs. 21,780,966) [Previous Year \$ 450,460 (Rs. 19,635,551)] and advance received from customer \$ 25,562 (Rs. 1,018,390) [Previous Year \$ Nil (Rs. Nil)].

Advertising cost:

Advertising costs are expensed the first time the advertising takes place. Advertising expenses for the year March 31, 2008 was \$49,645 (Rs.19,77,857) [Previous Year \$36,770 (Rs. 1,602,804)].

Shipping and handling cost:

Amounts charged to customers and costs incurred by the Company related to shipping and handling are included in net sales and costs of goods sold, respectively.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008

Note 1 - Summary of Significant Accounting Policies (Contd..)

Income taxes:

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax benefit (expense) is the tax receivable (payable) for the period and the change during the period in deferred tax assets and liabilities.

Financial statement estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Estimates are used in calculating deferred maintenance revenue. Actual results could differ from those estimates.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Particulars	Amount US Dollar		Equivalent Amount Rs.	
	Current Year	Previous Year	Current Year	Previous Year
Furniture & Equipment	248,434	231,308	9,897,611	10,082,716
Computer and Software	253,785	245,896	10,110,794	10,718,607
Total	502,219	477,204	20,008,405	20,801,323
Less: Accumulated Depreciation	(429,374)	(376,152)	(17,106,260)	(16,396,466)
Net Assets	72,845	101,052	2,902,145	4,404,857

NOTE 3 – GOODWILL

Goodwill (Net of Amortization) of \$ 1,979,663 (Rs. 7,88,69,774) [Previous Year \$ 2,262,472 (Rs. 98,621,154)] consists of excess the purchase price of the Company over the fair market value of the assets purchased less the liabilities assumed.

NOTE 4 – LONG-TERM DEBTS INTER COMPANY

Long-term debts inter-company as on March 31, 2008 \$ Nil (Rs. Nil) [Previous Year \$ 45,000 (Rs.1,961,550)].

NOTE 5 – INCOME TAXES

Income tax expenses consist of the following:

Particulars	Amount US Dollar		Equivalent Amount Rs.	
	Current Year	Previous Year	Current Year	Previous Year
Current Tax	98,180	188,550	3,911,492	8,218,895
Deferred Tax	-	-	-	-
Total	98,180	188,550	3,911,492	8,218,895

Deferred tax assets/liabilities have not been recognized as the impact is not expected to be material.

NOTE 6 – CAPITAL LEASE OBLIGATIONS

The Company has entered into two lease agreements for computer equipment in financial year 2003-04 and 2004-05. These leases qualify as capital lease for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception dates. The Assets acquired through capital leases recorded in the property and equipment total \$ 43,565 (Rs. 1,735,630) at March 31, 2008 [Previous Year \$43,565 (Rs.1,898,998)]. The net Values against these assets are \$ Nil (Rs. Nil) [Previous Year \$ 394 (Rs. 17,174)]. As on March 31, 2008 the future minimum lease obligation \$ Nil (Rs. Nil)[Previous Year \$24,986(Rs. 1,089,140)] and the net present value of minimum lease payment \$ Nil (Rs. Nil) [Previous Year \$20,820 (Rs. 907,544)].

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2008**NOTE 7 – LEASE COMMITMENT**

The Company leases its office space under an operating lease arrangement. Rental expenses for the year ended March 31, 2008 was \$ 193,603 (Rs. 77,13,144) [Previous Year \$ 189,204 (Rs. 8,247,402)]. The total of future minimum lease payments under non-cancelable operating lease is as under:

Particulars	Amount US Dollar		Equivalent Amount Rs.	
	Current Year	Previous Year	Current Year	Previous Year
Up to 1 Year	206,851	141,903	8,240,944	6,185,552
1 Year – 5 Year	155,253	-	6,185,280	-
More than 5 Year	-	-	-	-
Total	362,104	141,903	14,426,224	6,185,552

NOTE 8 – RETIREMENT PLAN

The Company maintains a retirement plan covering all employees under section 401 (k) of the Internal Revenue Code. The Company contributions to the plan are at the discretion of the Board of Directors. The Contribution made for the year ended March 31, 2008 was \$ 36,690 (Rs.1,461,730) [Previous Year \$ 16,874 (Rs. 735,538)]

NOTE 9 – RELATED PARTY TRANSACTION

Transactions with Holding Company Geometric Limited are as under:

Particulars	Amount US Dollar		Equivalent Amount Rs.	
	Current Year	Previous Year	Current Year	Previous Year
Software Development Charges	517,492	475,094	20,616,881	20,709,347
Interest Expenses on Loan	3,258	4,621	129,799	201,429
Royalties Expenses	40,000	40,000	1,593,600	1,743,600
Commission Expenses	653,568	556,838	26,038,149	24,272,568
Note Payable	37,500	75,000	1,494,000	3,269,250
Balance Payable (Net of Receivable)	424,609	297,806	16,916,423	12,981,364

NOTE 10 – DISCLAIMER- CONVENIENCE TRANSLATION

We have translated the US Dollar amounts in the financial data derived from our financial statements into Rupees at the closing rate as on 31st March 2008 and 31st March 2007 respectively. The translations should not be considered as a representation that such US Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated above, or at all.

NOTE 11

The name of the Company has been changed from Teksoft, Inc. to Geometric Technologies, Inc with effect from October 15, 2007.

Geometric Limited.

Consolidated Financial Statements for the year ended March 31, 2008

Regd. Office:

Plant 6, Pirojshanagar, Vikhroli (W)
Mumbai 400 079, India

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

THE BOARD OF DIRECTORS GEOMETRIC LIMITED

1. We have audited the attached consolidated Balance Sheet of Geometric Limited (Formerly Geometric Software Solutions Company Limited) (the Company) and its subsidiaries, (collectively referred to as the "Geometric Group"), as at March 31, 2008, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended (consolidated financial statements). These consolidated financial statements are the responsibility of the Company'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 the consolidated financial statements of Geometric Americas, Inc. (Formerly Geometric Software Solutions Inc.) and its subsidiaries, the consolidated financial statements of Geometric Asia Pacific Pte. Ltd. (Formerly Geometric Software Solutions Pte. Ltd.), 3D PLM Software Solutions Limited and Geometric Technologies, Inc. (Formerly TekSoft, Inc.), the subsidiaries included in consolidated financial results whose financial statements reflect total assets of Rs. 2,008,774,737 as at March 31, 2008, total revenues of Rs. 3,582,083,938 and net cash flows amounting to Rs. 41,359,407 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting for subsidiaries in Separate Financial Statements issued by the Institute of Chartered Accountants of India.
5. As stated in Note 3 Schedule 12 : Notes to Accounts, during the year the company has changes the method of accounting for forward foreign exchange contracts taken to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. As a result of this change in policy for the year is higher by Rs. 20,953,292 and the cash Flow Hedging Reserve reflects an amount of Rs. 20,953,292.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of Geometric Software Solutions Company Limited and its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Geometric Software Solutions Company Limited and its subsidiaries as at March 31, 2008;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Daraius Z. Fraser
PARTNER
M. No.: 42454

Mumbai: April 18, 2008

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	SCHEDULE	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	124,207,120		123,855,990
b) Share Application Money		446,466		26,363
c) Reserves And Surplus	2	2,343,693,052		2,113,043,773
			2,468,346,638	2,236,926,126
2. LOAN FUNDS				
a) Secured Loans	3		794,332,145	918,998,282
3. DEFERRED TAX LIABILITY (NET)	4		40,574,530	44,125,337
4. MINORITY INTEREST			65,683,010	77,971,882
TOTAL			3,368,936,323	3,278,021,627
APPLICATION OF FUNDS:				
5. FIXED ASSETS	5			
a) Gross Block		3,047,525,825		2,976,251,443
b) Less: Depreciation		852,931,692		772,175,957
c) Net Block		2,194,594,133		2,204,075,486
d) Capital Work-in-Progress		1,055,593		4,949,405
			2,195,649,726	2,209,024,891
6. INVESTMENTS	6		178,995,451	120,405,326
7. CURRENT ASSETS, LOANS AND ADVANCES	7			
a) Sundry Debtors		787,358,372		746,674,676
b) Cash And Bank Balances		234,412,947		147,173,952
c) Other Current Assets		9,977,923		61,450,735
d) Loans And Advances		602,981,728		628,113,875
		1,634,730,970		1,583,413,238
8. Less: CURRENT LIABILITIES AND PROVISIONS	8			
a) Current Liabilities		554,333,708		547,703,714
b) Provisions		86,106,116		87,118,114
		640,439,824		634,821,828
9. NET CURRENT ASSETS			994,291,146	948,591,410
TOTAL			3,368,936,323	3,278,021,627

NOTES TO ACCOUNTS 12

'The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Signatures to the Balance Sheet and Schedules 1 to 8 and 12.
For and on behalf of the Board

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

G. Ravishankar
CHIEF FINANCIAL OFFICER

April 18, 2008.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE	Year Ended March 31, 2008 Rupees	Year Ended March 31, 2007 Rupees	Year Ended March 31, 2007 Rupees
INCOME:				
1. Sales - Software Packages & Services			4,858,337,210	3,830,709,735
2. Other Income	9		203,406,184	111,919,524
			5,061,743,394	3,942,629,259
EXPENDITURE:				
3. Operating And Other Expenses	10	4,364,757,103		3,189,185,897
4. Interest And Finance Charges	11	56,916,818		34,704,735
5. Depreciation		197,621,067		212,278,036
			4,619,294,988	3,436,168,668
			442,448,406	506,460,591
PROFIT BEFORE TAX:				
6. Provision For Taxes				
(a) Current Taxes				
- Indian Income Tax		69,434,812		37,249,371
- Foreign Taxes		8,239,407		16,173,072
(b) MAT Credit Eligible for Set-off		(26,784,488)		-
(c) Deferred Taxes		(3,550,807)		8,463,103
(d) Fringe Benefit Tax		9,475,569		5,740,000
			56,814,493	67,625,546
			385,633,913	438,835,045
PROFIT AFTER TAX:				
7. Tax Adjustments In Respect Of Earlier Years			(9,358,914)	-
			376,274,999	438,835,045
NET PROFIT AFTER TAXES BEFORE MINORITY INTEREST:				
8. Less: Minority Interest in Net Profit of Subsidiaries			(54,976,265)	(64,442,201)
			321,298,734	374,392,844
9. Surplus Brought Forward			1,330,523,641	1,079,053,734
10. Residual Dividend for Fiscal 2007			(10,216)	(3,242,049)
11. Dividend Tax Thereon			(1,736)	(454,697)
			1,651,810,423	1,449,749,832
PROFIT AVAILABLE FOR APPROPRIATION:				
APPROPRIATIONS:				
1. Proposed Dividend			49,682,848	49,542,396
2. Dividend Tax			9,493,941	8,419,730
3. Transfer To General Reserve			46,844,949	45,166,800
4. Corporate Dividend Tax Paid By Subsidiary			19,207,969	16,097,265
5. Surplus Carried Forward			1,526,580,716	1,330,523,641
TOTAL			1,651,810,423	1,449,749,832
EARNINGS PER EQUITY SHARE				
(Face value Rs. 2 each)	12 - (5)			
Basic			5.18	6.20
Diluted			5.14	6.08

NOTES TO ACCOUNTS

12

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

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Signatures to Profit and Loss Account and Schedules 9 to 12.
For and on behalf of the Board

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

G. Ravishankar
CHIEF FINANCIAL OFFICER

April 18, 2008.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit Before Tax:			442,448,406	506,460,591
Adjustment for:				
Depreciation		197,621,067		212,278,036
Loss / (Profit) on Sale of Fixed Assets		849,240		1,864,931
(Profit) / Loss on Sale of Investments		(137,392)		(826,353)
Interest Expense		56,916,818		34,704,735
Interest Income		(2,397,591)		(1,043,735)
Dividend Income		(2,575,855)		(16,501,472)
(Including Rs. 2,560,899 Dividend Reinvested; - previous year Rs. 16,086,281)				
Diminution in Value of Investments		-		(3,476)
Others		(5,980)		-
Foreign Exchange Revaluation Adjustment		347,997		-
			250,618,304	230,472,666
Operating Cash Flows Before Working Capital Changes			693,066,710	736,933,257
Working Capital Changes:				
Sundry Debtors		(40,335,699)		(323,524,791)
Loans and Advances		39,550,456		(447,153,646)
Other Current Assets		51,913,101		(83,084,494)
Adjustment for Cash Flow Hedging Reserve		(20,953,292)		-
Current Liabilities and Provisions		5,617,971		235,234,985
			35,792,537	(618,527,946)
Cash Generated from Operations			728,859,247	118,405,311
Income Taxes Paid			(83,871,329)	(61,806,709)
Net Cash Flow from Operating Activities			644,987,918	56,598,602
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		(192,886,759)		(218,747,968)
Sale of Fixed Assets		67,660,532		18,554,738
Acquisition of Goodwill on Consolidation (net of non-cash consideration)		(76,459,681)		(1,114,124,137)
Purchase / Reinvestment of Investments (Including Rs. 2,560,899 Dividend Reinvested; - previous year Rs. 16,086,281)		(2,027,760,899)		(3,306,850,481)
Trade Investments		-		9,044,000
Sale of Investments		1,969,308,168		3,391,748,524
Intercompany Deposits Refund		-		-
Dividend Received (Including Rs. 2,560,899 Dividend Reinvested; - previous year Rs. 16,086,281)		2,575,855		16,501,472
Interest Received		1,957,302		860,504
Net Cash Flow From Investing Activities			(255,605,482)	(1,203,013,348)
Balance carried forward			389,382,436	(1,146,414,746)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE	Rupees	As at March 31, 2008 Rupees	As at March 31, 2007 Rupees
Balance Brought Forward			389,382,436	(1,146,414,746)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Issue of Share Capital / ESOPs		9,129,763		515,852,600
Borrowings from Bank		437,951,154		882,140,467
Repayment of Bank Borrowings		(562,617,290)		-
Interest Paid		(56,916,818)		(34,630,382)
Dividend Paid		(94,538,148)		(97,335,626)
Dividend Tax Paid		(35,152,102)		(29,807,795)
Net Cash Flows From Financing Activities			(302,143,441)	1,236,219,264
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:			87,238,995	89,804,518
CASH AND CASH EQUIVALENTS				
AS AT THE BEGINNING OF THE YEAR			147,173,952	57,369,434
AS AT THE END OF THE YEAR				
Cash and Bank Balances			213,611,749	147,221,593
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents			20,801,198	(47,641)
			234,412,947	147,173,952
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:			87,238,995	89,804,518

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

For and on behalf of the Board

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING DIRECTOR & CEO

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

G. Ravishankar
CHIEF FINANCIAL OFFICER

April 18, 2008.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 1: SHARE CAPITAL			
1. AUTHORISED:			
80,000,000 Equity shares of Rs. 2/- each (previous year			
80,000,000 equity shares of Rs. 2/- each.)		160,000,000	160,000,000
2. ISSUED, SUBSCRIBED AND PAID UP:			
62,103,560 Equity shares of Rs. 2/- each (previous year			
61,927,995 equity shares of Rs. 2/- each) fully paid up.		124,207,120	123,855,990
Add: Amount paid up on (previous year equity shares forfeited.		-	-
TOTAL		124,207,120	123,855,990

Note:

Of the above equity shares:

- Of the above, 14,250,000 equity shares have been allotted as fully paid up bonus shares by capitalisation of surplus in the Profit and Loss Account and 27,582,470 equity shares have been allotted as fully paid up bonus shares from share premium account.
- During the year, 167,065 (previous year 1,357,625) equity shares of Rs. 2 each have been issued under the Employee Stock Option Plans and 8,500 (previous year 45,500) equity shares of Rs. 2 each have been issued under the Directors' Stock Option Scheme of the Company.
- During the year, the Company has made a preferential issue of Nil (previous year 3,867,075) equity shares of Rs. 2 each.

SCHEDULE 2: RESERVES AND SURPLUS

1. SECURITIES PREMIUM ACCOUNT			
As per Last Balance Sheet	632,735,768		127,449,931
Add: Received During The Year	8,412,350		505,285,837
		641,148,118	632,735,768
2. CASH FLOW HEDGING RESERVE			
As per last Balance Sheet	-		-
Add: Amount recognised during the year	(20,953,292)		-
		(20,953,292)	-
3. GENERAL RESERVE			
As per last Balance Sheet	149,724,564		104,557,764
Add: Transfer from Profit and Loss Account	46,844,949		45,166,800
		196,569,513	149,724,564
4. FOREIGN CURRENCY TRANSLATION RESERVE			
As per last Balance Sheet			-
Add: Amount recognised during the year	347,997		-
		347,997	-
5. EMPLOYEE STOCK OPTIONS OUTSTANDING		-	59,800
6. PROFIT AND LOSS ACCOUNT - SURPLUS		1,526,580,716	1,330,523,641
TOTAL		2,343,693,052	2,113,043,773

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 3: SECURED LOANS			
1. BORROWINGS FROM BANKS			
a) Term Loans	794,332,145		605,508,227
b) Cash Credit	-		313,490,055
		794,332,145	918,998,282
TOTAL		794,332,145	918,998,282
SCHEDULE 4: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Depreciation on Fixed Assets	56,821,368		50,216,261
b) Others	<u>13,257,796</u>		<u>-</u>
		70,079,164	50,216,261
2. Deferred Tax Asset			
a) Provision for Bonus	(1,084,092)		(3,968,185)
b) Others	<u>(28,420,542)</u>		<u>(2,122,739)</u>
		(29,504,634)	(6,090,924)
TOTAL		40,574,530	44,125,337

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 5 : FIXED ASSETS

ASSET	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BOOK			
	As at 1-Apr-07	Adjustment	Additions	Deductions	As on 31-Mar-08	Up to 31-Mar-07	Adjustment	For the Year	On Deductions	Up to 31-Mar-08	As on 31-Mar-08	As on 31-Mar-07
Leasehold Land	50,367,395	-	-	-	50,367,395	2,524,084	-	542,143	-	3,066,227	47,301,168	47,843,311
Buildings	331,010,236	-	4,308,239	-	335,318,475	39,900,472	-	11,360,986	-	51,261,458	284,057,017	291,109,764
Leasehold Improvement	4,794,613	-	254,284	121,129	4,927,768	4,729,208	30,488	41,403	108,072	4,693,027	234,741	65,405
Computers	655,352,193	-	76,020,764	180,127,335	551,245,622	433,863,991	97,448	91,558,877	112,474,699	413,045,617	138,200,005	221,488,202
Electrical Installations	211,646,043	-	3,342,132	-	214,988,175	82,039,776	-	24,972,963	-	107,012,739	107,975,436	129,606,267
Office Equipment and EPABX System	64,003,689	-	6,943,757	71,829	70,875,617	32,552,310	9,844	5,685,825	71,829	38,176,150	32,699,467	31,451,379
Furniture and Fixtures	238,201,923	-	16,874,571	218,175	254,858,319	83,981,666	4,168	22,758,396	218,175	106,526,055	148,332,264	154,220,257
Vehicles	5,046,544	-	2,013,362	1,327,596	5,732,310	938,382	-	549,649	483,517	1,004,514	4,727,796	4,108,162
Intangible Assets:												
- Goodwill Arising on Consolidation	1,240,931,894	-	60,010,863	-	1,300,942,757	-	-	-	-	-	1,300,942,757	1,240,931,894
- Computer Software	174,896,913	-	87,023,462	3,650,988	258,269,387	91,646,068	-	40,150,825	3,650,988	128,145,905	130,123,482	83,250,845
TOTAL	2,976,251,443	-	256,791,434	185,517,052	3,047,525,825	772,175,957	141,948	197,621,067	117,007,280	852,931,692	2,194,594,133	-
Previous Year	1,537,620,879	1,260,001,833	253,972,511	75,343,780	2,976,251,443	516,102,864	98,719,168	212,278,036	54,924,111	772,175,957	-	2,204,075,486
Capital Work-in-Progress including Capital Advances											1,055,593	4,949,405
TOTAL											2,195,649,726	2,209,024,891

Note: "Adjustments" comprise of the Gross Block and Accumulated Depreciation on Fixed Assets, as on the date of investment, in respect of subsidiary acquired during the year.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 6: INVESTMENTS**

Previous Year	Current Year		Current Year	Previous Year
Nos.	Nos.	Rupees	Rupees	Rupees
1. IN UNITS OF MUTUAL FUNDS				
Current Investments (At lower of cost and market value)				
Quoted, Non Trade			148,036,300	89,446,175
2. OTHER TRADE INVESTMENTS				
Unquoted, Long Term (At Cost)				
1,410,176	1,410,176	Powerway Inc. No par value shares of Series E Senior Preferred Stock, fully paid and non-assessable.	30,959,151	30,959,151
TOTAL			178,995,451	120,405,326
Aggregate Book Value of Investments:				
Quoted			148,036,300	89,446,175
Unquoted			30,959,151	30,959,151
TOTAL			178,995,451	120,405,326
Market Value of Quoted Investments			150,708,379	89,448,645

SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES

1. SUNDRY DEBTORS				
(Unsecured - Considered good, unless otherwise stated)				
a)	Debts outstanding for a period exceeding six months (Including doubtful debts Rs. 17,531,669; - previous year Rs. 6,956,337)	17,531,669		8,001,955
b)	Other Debts (Including doubtful debts Rs. Nil; - previous year Rs. 7,364,749)	787,358,372		752,993,807
		804,890,041		760,995,762
c)	Less: Provision For Doubtful Debts	17,531,669		14,321,086
			787,358,372	746,674,676
2. CASH AND BANK BALANCES				
a)	Cash in Hand	59,110		618
b)	Balances with Scheduled Banks			
-	In Current Accounts	101,045,943		52,072,278
-	In Deposit Accounts	9,457,118		9,457,118
c)	Balances with Non - Scheduled Banks	123,850,776		85,643,938
			234,412,947	147,173,952
3. OTHER CURRENT ASSETS				
a)	Accrued Interest	733,386		293,097
b)	Unrealised Forward Exchange Contract Premium	9,244,537		61,157,638
			9,977,923	61,450,735
4. LOANS AND ADVANCES				
(Unsecured - considered good, unless otherwise stated)				
a)	Advances recoverable in cash or in kind or for value to be received	417,482,851		468,457,737
b)	Sundry Deposits	167,017,709		155,593,279
c)	Advance Payment Of Taxes (Net Of Provision for Taxes)	18,481,168		4,062,859
			602,981,728	628,113,875
TOTAL			1,634,730,970	1,583,413,238

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 8: CURRENT LIABILITIES AND PROVISIONS			
1. CURRENT LIABILITIES			
a) Sundry Creditors			
- Small Scale Industrial Undertakings	-		-
- Others	13,106,350		114,179,569
b) Advances and Deposits	58,131,004		11,451,085
c) Unclaimed Dividends	1,967,892		1,621,928
d) Other Liabilities	481,128,462		420,451,132
		554,333,708	547,703,714
2. PROVISIONS			
a) For Proposed Dividend	49,682,848		49,542,396
b) For Tax on Dividend	8,443,600		8,419,730
c) For Leave Encashment	27,979,668		29,155,988
		86,106,116	87,118,114
TOTAL		640,439,524	634,821,828

* The figure of Unclaimed Dividend reflects the position as at March 31, 2008. During the year, the Company has transferred an amount of Rs. 67,318 (previous year Rs. 7,960); to the Investor Education and Protection Fund in accordance with the provisions of section 205C of the Companies Act, 1956.

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 9: OTHER INCOME			
1. Dividend from Mutual Funds		2,575,855	16,501,472
2. Gain on Exchange Difference (Net)		158,212,310	38,637,765
3. Interest on Advances and Deposits (Gross)		2,397,591	1,043,735
(Tax Deducted at Source Rs. Nil; previous year Rs. 347,523)			
4. Rent Received		29,104,372	40,358,130
5. Profit on Sale of Investments (Net)		137,392	826,353
6. Discount Received		25,008	-
7. Miscellaneous Income		10,953,656	14,552,069
TOTAL		203,406,184	111,919,524

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 10: OPERATING AND OTHER EXPENSES			
1. Personnel Expenses			
Salaries, Bonus and Allowances		3,145,379,298	2,321,776,695
Contribution to Provident and Other Funds		69,629,737	56,554,765
Staff Welfare Expenses		60,453,118	42,498,744
2. Software Tools and Packages		61,917,922	52,582,632
3. Electricity Expenses		53,217,036	38,763,759
4. Rates and Taxes		2,898,689	6,789,533
5. Rent and Service Charges		191,178,470	99,356,538
6. Repairs and Maintenance			
a) Computers	49,703,253		46,496,722
b) Buildings	5,620,154		1,548,605
c) Others	22,928,181		34,365,947
		78,251,588	82,411,274
7. Insurance		113,139,407	66,766,917
8. Travelling and Conveyance		213,342,080	168,166,149
9. Communication Expenses		46,207,714	51,445,921
10. Legal and Professional Charges		90,438,758	80,392,870
11. Advertising and Publicity		16,577,662	12,243,859
12. Staff Recruitment Expenses		15,322,896	17,223,938
13. Royalty		66,603,330	33,737,972
14. Miscellaneous Expenses		132,455,060	46,802,751
15. Sales and Marketing Expenses		-	214,236
16. Commission to Non Executive Directors		2,212,242	5,500,000
17. Loss on Sale of Assets (Net)		849,240	1,864,931
18. Bad Debts Written Off		1,472,273	1,529,211
19. Provision for Doubtful Debts and Advances		3,210,583	2,566,678
20. Provision For Depletion In Value Of Investments		-	(3,476)
TOTAL		4,364,757,103	3,189,185,897
SCHEDULE 11: INTEREST AND FINANCE CHARGES			
1. Interest on Bank Loans		53,160,591	31,587,778
2. Bank Charges		3,756,227	3,116,957
TOTAL		56,916,818	34,704,735

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: NOTES TO ACCOUNTS

1. SUMMARY OF GROUP'S SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

The financial statements have been prepared on accrual basis under the historical cost convention, in conformity in all material aspects with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

c) Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

Direct financing cost incurred during the construction period on major projects is also capitalised. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of fixed assets is adjusted to the carrying cost of the respective assets.

Depreciation is provided under the straight line method, based on useful lives of assets as estimated by the Management. Depreciation is charged on a monthly pro-rata basis for assets purchased / sold during the year. Individual assets acquired for less than Rs. 5,000/- are entirely depreciated in the year of acquisition. Leasehold assets are amortised over the period of the lease. The Management's estimate of useful lives for various fixed assets is as under:

Asset	Useful Life Of Asset In Years
Buildings	28
Computers and Software	3
Electrical Installation	8
Office Equipment	13
Furniture and Fixtures	10
EPABX Systems	10
Vehicles	10
Software	3-5

In case of fixed assets of the subsidiary, Geometric Americas, Inc. (formerly known as Geometric Software Solutions, Inc.), the accelerated method of depreciation has been followed. This has no material impact on the consolidated financial statements.

d) Asset Impairment:

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

e) Investments:

Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than that of a temporary nature.

Current investments intended to be held for less than one year are stated at the lower of cost and market value.

f) Foreign Exchange Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are stated at the contracted rates, when covered under forward foreign exchange contracts and at year end rates in other cases. Non Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

The Company enters into forward exchange contracts based on firm commitments or highly probable forecast revenues.

g) Cash Flow Hedges:

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company designates these as Cash Flow Hedges.

The use of foreign currency forward contracts is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such forward contracts consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculation purpose.

Foreign currency forward contracts are initially measured at fair value and are remeasured at subsequent reporting

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)

dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Cash Flow Hedging Reserve and the ineffective portion is recognised immediately in the Profit and Loss Account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instruments recognized in the Cash Flow Hedging Reserve is retained there until the forecasted transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognized in the Cash Flow Hedging Reserve is transferred to profit and loss account for the year.

h) Foreign subsidiary consolidation:

Revenue items, except depreciation, are translated into Rupees at average rate. Monetary items are translated into Rupees using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction. Fixed assets are translated using the rate at the date of the transaction. The net exchange difference resulting from the translation of items in financial statements of the foreign subsidiary are recognised as income or expense for the period.

i) Revenue Recognition:

Revenue from time and material contracts for software development is recognised on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are despatched to customers. In case of fixed price contracts, revenue is recognised on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed. Revenue from sale of traded software products and software upgradation fee is recognised when the sale has been completed with the passing of the title. Revenue from software upgradation fees on software developed by the Company is recognised over the period for which it is received.

j) Software Expenditure:

(i) Software purchased is capitalized and written off over its useful life, which is normally three years, provided the software is regularly updated through a maintenance contract, failing which, the unamortised balance is charged to revenue. If the usage of software is discontinued, its unamortised

cost is also charged to revenue.

(ii) The cost of software purchased for specific software development contracts is charged over the period of such contracts, or three years, whichever is less.

(iii) Small-value software purchases costing between Rs. 5,000 and Rs. 50,000, other than software categorized as 'Standard Software Development Tools', is written off as and when incurred. Software categorized as 'Standard Software Development Tools' is capitalized and depreciated over a period of three years.

(iv) Software costing below Rs. 5,000 is written off as and when the cost is incurred

k) Employee Stock Option Schemes:

Stock Options granted to employees are in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and are at market price calculated under the said Guidelines. The intrinsic value, being the difference, if any, between market price and exercise price is treated as Personnel Expenses and charged to Profit and Loss Account. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

l) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

m) Research and Development Expenditure:

Expenditure on in-house development of software is charged to the Profit and Loss Account in the year in which it is incurred.

n) Warranty Obligations:

In respect of products sold by the Company which carry a specified warranty, future costs that will be incurred by the Company in carrying out its obligations are estimated and accounted for on accrual basis.

o) Income-tax:

Income taxes have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses. Deferred tax assets and liabilities are recognised for the expected future tax consequences attributable to timing differences between the taxable income and the accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)

settled. The effect of changes in the tax rates on deferred tax assets and liabilities is recognised in the statement of income in the period of change. Deferred tax assets are recognised based on management's judgment as to the sufficiency of future taxable income against which the deferred tax asset can be realised.

p) Employee Benefits:

i) Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

ii) Post Employment benefits:

(1) Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged as an expense in the Profit and Loss Account as they fall due.

(2) Defined Benefit Plans:

Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations. During the current year end, the accrued liability towards such pension is provided on actuarial basis as on the Balance Sheet date as per revised Accounting Standard AS-15 'Employee Benefits' as issued by the Institute of Chartered Accountants of India. However, the impact due to above change in policy is not material.

iii) Other Long Term Employee Benefits:

Other Long Term Employee Benefits viz., accrued leave, leave encashments are recognised as an expense in the Profit and Loss Account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with the actuarial

valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefit are charged to the Profit and Loss Account.

q) Provisions, Contingent Liabilities and Contingent Assets:

As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for –

- A. Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- B. Any present obligation that arises from past events but is not recognized because-
 - a. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

The details of provision and movement in each class of provision required by Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets are as follows-

1. Provision for Leave Encashment & Accrued Leave:

Particulars	Current Year	Previous Year
Carrying amount at the beginning of the year	32,287,793	23,287,648
Additional provision made during the year	33,883,758	29,393,610
Amount paid/utilized during the year	19,632,952	20,331,229
Unused amount reversed during the year	9,488,355	62,236
Carrying amount at the end of the year	37,050,244	32,287,793

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)****2. Provision for Variable Pay*:**

(Amount in Rs.)

Particulars	Current Year	Previous Year
Carrying amount as at the beginning of the year	29,467,681	15,576,107
Additional provision made during the year	96,747,081	90,792,256
Amount paid/ utilized during the year	94,703,693	76,900,682
Unused amount reversed during the year	2,608,295	-
Carrying amount as at the end of the year	28,902,774	29,467,681

* Variable Pay is the amount which is payable to the employees on a quarterly basis based on quarterly performance evaluation.

2. LIST OF SUBSIDIARIES

Name	Country of Incorporation or Residence	Proportion of Ownership Interest
Geometric Americas, Inc. (Formerly known as Geometric Software Solutions, Inc.) Including Modern Engineering Inc. & its subsidiaries	USA	100%
Geometric Asia Pacific Pte. Ltd. (Formerly known as Geometric Software Solutions, Pte. Ltd.) Including its subsidiary Geometric China, Inc.	Singapore	100%
3D PLM Software Solutions Ltd.	India	70%
Geometric Technologies, Inc. (Formerly known as TekSoft, Inc.)	USA	100%

3. CONTINGENT LIABILITIES

- Guarantees given by the Company's bankers against counter guarantees given by the Company Rs. 4,305,000 (previous year Rs. 4,305,000).
- Corporate Guarantee of up to Rs. 318,720,000 (USD 8,000,000) (previous year Rs. 348,720,000 (USD 8,000,000)) in respect of a loan availed by its subsidiary secured by mortgage of immovable property of the Company at Pune in favour of Citibank, N.A. or its agents or trustees.
- Corporate guarantee in respect of a revolving credit of Rs. 398,400,000/- (USD 10,000,000) (previous year Rs. 435,900,000/- (USD 10,000,000)) availed by its subsidiary.

As at March 31, 2008, Rs. 319,240,151 (USD 8,013,056) has been drawn under the credit agreement. The above credit facility is secured by all the assets of the subsidiary.

- Claims against the Company not acknowledged as debt:

- Rs 172,818 (previous year Rs. 172,818) in respect of disputed demand of excise duty against which the Company has preferred an appeal.
- Rs. 165,966 (previous year Rs. 165,966) in respect of a sales tax assessment of a previous year against which the Company has applied for cancellation.

4. CAPITAL COMMITMENTS**a) Tangible Assets:**

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) Rs. 8,193,102 (previous year Rs. 10,053,824).

b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) Rs. 6,528,651 (previous year Rs. 16,216,593).

5. FOREIGN EXCHANGE HEDGING

The Company uses forward exchange contracts to hedge its foreign exchange exposure. As at March 31, 2008, the Company had 306 outstanding forward exchange contracts to sell foreign currency aggregating to 66,246,687 US Dollars at an average rate of Rs 40.41 per US Dollar. The Company does not use any foreign currency options. There were no uncovered foreign exchange risks as at March 31, 2008.

6. ACCOUNTING FOR LEASES**a) Operating Leases:**

The lease rentals charged in respect of computers and office space during the year and maximum obligations on non-cancellable operating leases payable as per the rentals stated in the lease agreement are given in accordance with the Accounting Standard (AS-19) on "Leases" issued by the Institute of Chartered Accountants of India.

(Amount in Rs.)

Particulars	Current Year	Previous Year
1. Lease rentals paid during the year	276,467,222	147,199,212
2. Future lease obligations		
- Due within one year	203,365,584	189,959,462
- Due between one year and five years	341,467,059	336,299,547
- Due after five years	27,102,235	58,537,011

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)

Particulars	Current Year	Previous Year
Sublease income during the year	9,281,645	5,570,416
Future sublease income	20,462,037	47,373,743

b) Finance Leases

Subsidiaries of the Company have acquired furniture and software/equipments under capital leases. In some cases the liability for minimum lease payment is secured by hypothecation of furniture and software acquired under the leases.

The following is the summary of assets held under capital lease as at March 31, 2008:

Cost	10,799,913
Less: Accumulated depreciation	6,039,763
Net carrying amount as at March 31, 2008	4,760,150

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)****7. EMPLOYEE STOCK OPTIONS**

The position of the existing Employee Stock Options Schemes is summarized as under:

Particulars	Scheme III ESOP Directors 2000 Scheme	Scheme IV ESOP Scheme 2001	Scheme V ESOP Scheme 2003	Scheme VII Special ESOP Scheme 2006
1. Details of the Meeting	Annual General Meetings (July 14, 2000 and June 29, 2004)	Annual General Meetings (June 22, 2001 and June 29, 2004)	Annual General Meetings (June 18, 2003 and June 29, 2004)	Extraordinary General Meeting (November 21, 2006)
2. Approved (Nos.)	300,000	3,546,250	2,750,000	1,850,000
3. The Pricing Formula	National Stock Exchange (NSE) market price	Closing price on National Stock Exchange (NSE) on a day previous to the day of grant.	Closing price on NSE on date immediately preceding grant of options. The options may be granted at Market Price computed in accordance with the ESOP Guidelines	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.
4. Options Granted (Nos.)	260,000	3,449,120	2,100,025 [@]	1,847,500
5. Options Vested (Nos.)	260,000	3,449,120	1,772,707	400,000
6. Options Exercised (Nos.)	216,500	2,368,560	1,144,105	-
7. Options Forfeited / Surrendered (Nos.)	28,500	1,028,515	1,100,715 [^]	25,000 [^]
8. Options Unexercised (Nos.)	15,000	-	955,920	1,847,500
9. Options Lapsed (Nos.)	-	52,045	-	-
10. Total Number of Options in force	15,000	-	955,920	1,847,500
11. Variation in terms of ESOP	NA	Amended on June 18, 2003, so as to grant options to employees of the subsidiaries of the Company retrospectively.	NA	NA
12. Total number of shares arising as a result of exercise of options (including shares pending allotment)	216,500	2,368,560	1,144,105	-
13. Money realised by exercise of options (Rs. in Lakhs)	71.66	561.04	567.96	-

[^] The surrendered options can be re-issued as per the terms of the Scheme.

[@] Net of forfeited /surrendered

Notes:

- Options exercised include 6,200 options (Scheme IV) which have been exercised by the concerned employees but equity shares are pending allotment.
- The number of options mentioned above have been adjusted for subdivision of the companies shares from face value of Rs. 10 each into five equity shares of face value of Rs. 2 each on August 2, 2005 and on account of issue of bonus shares on August 6, 2004.
- In the event of any further rights or bonus issue of equity shares prior to conversion, the entitlement of shares shall be suitably revised. In the event of a bonus issue, the number of shares shall be increased proportionately and the price revised downwards. The options vest in the employees to whom they are granted subject to the employee being in employment of the Company and his/her performance.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)

8. DEFERRED INCOME TAX

The Company accounts for taxes on income to include the effect of timing differences in the tax expenses in the Profit and Loss account and deferred tax asset / liability in the Balance Sheet. The tax holiday under section 10A of Income-tax Act, 1961, is available to the Company. In view of this, the deferred tax asset / liability in respect of timing differences that originate and reverse during tax holiday period is ignored and deferred tax liability in respect of timing differences that originate during tax holiday period but reverse after the tax holiday period is recognized.

	Rupees	Current Year Rupees	Previous Year Rupees
9. EARNINGS PER SHARE			
a) Net Profit After Tax		321,298,734	374,392,844
b) Number of Equity Shares:			
As at the commencement of the year		61,927,995	56,657,795
Issued during the Year		175,565	5,270,200
As at the end of the Year		62,103,560	61,927,995
Weighted Average Number of Equity Shares during the Year			
Basic		62,015,774	60,348,016
Diluted		62,525,990	61,550,153
c) Earning per Equity Share of Rs. 2/- each.			
Before Extraordinary Items:			
Basic		5.18	6.20
Diluted		5.14	6.08

10. SEGMENT REPORTING

The Company's primary segments consist of Projects and Products.
The Secondary segments are geographical areas by location of customers.

PRIMARY BUSINESS SEGMENT RESULTS:

A. Segment Revenue:

Products	327,421,174	410,040,000
Projects	4,530,916,036	3,420,669,735
	4,858,337,210	3,830,709,735

Less : Inter Segment Revenue	-	-
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Net Sale / Income from Operations	4,858,337,210	3,830,709,735
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B. Segment Results

Profit / Loss Before Tax and Interest From Each Segment		
Products	140,519,559	213,180,312
Projects	1,182,330,095	1,011,870,000
	1,322,849,654	1,225,050,312

Less (i) Interest	56,918,411	31,435,000
(ii) Other Unallocable Expenditure net of unallocable income	823,482,837	687,154,721

Total Profit Before Tax	442,448,406	506,460,591
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SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008**SCHEDULE 12: NOTES TO ACCOUNTS (Contd..)****SECONDARY GEOGRAPHICAL SEGMENTS - REVENUE**

Region		
US	3,368,909,104	2,404,499,735
Europe	981,951,801	1,125,640,000
Asia Pacific	370,548,779	205,690,000
India	136,927,526	94,880,000
TOTAL	4,858,337,210	3,830,709,735

Fixed Assets used in the Company's operations and liabilities contracted have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities.

11. GENERAL

Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

Consolidated Financial Statements

as per US GAAP

for the year ended March 31, 2008

REPORT OF THE MANAGEMENT

The management is responsible for preparing the Company's consolidated financial statements and related information that appears in this annual report. The management believes that the consolidated financial statements fairly reflect the form and substance of transactions, and reasonably present the Company's consolidated financial condition and results of operations in conformity with United States Generally Accepted Accounting Principles. The management has included, in the Company's consolidated financial statements, amounts that are based on estimates and judgments, which it believes are reasonable under the circumstances.

The Company maintains a system of internal procedures and controls intended to provide reasonable assurance, at appropriate cost, that transactions are executed in accordance with Company authorization and are properly recorded and reported in the financial statements, and that assets are adequately safeguarded.

Kalyaniwalla & Mistry audits the Company's financial statements in accordance with the generally accepted auditing standards in the United States of America.

The Board of Directors has appointed an audit committee composed of outside directors. The committee meets with the management, internal auditors and the independent auditors to review internal accounting controls and accounting, auditing and financial reporting matters.

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER &
VICE CHAIRMAN

Dr. Ravi Gopinath
MANAGING
DIRECTOR & CEO

Place : Mumbai

Dated : April 18, 2008

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Geometric Limited

We have audited the accompanying consolidated Balance Sheets of Geometric Limited (*Formerly Geometric Software Solutions Company Limited*) ("the Company") and its subsidiaries as of March 31, 2008 and March 31, 2007 and the related consolidated Statements of income, Stockholders' Equity and Cash Flows for each of the years in the three-year period ended March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

The reports on accounts of Company's subsidiary, Geometric Americas Inc. (*Formerly Geometric Software Solutions Inc.*) (consolidated with its subsidiaries) audited by other auditors in conformity with accounting principles generally accepted in the United States of America ("US GAAP") have been produced before us and the same have been considered in preparing our report.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its Subsidiaries as of March 31, 2008 and March 31, 2007, and the results of their operations and their cash flows for each of the years in the three year period ended March 31, 2008 in conformity with US GAAP.

KALYANIWALLA AND MISTRY
CHARTERED ACCOUNTANTS
Place : Mumbai
Dated : April 18, 2008

CONSOLIDATED BALANCE SHEETS AS AT MARCH 31 (AS PER US GAAP)

	in \$ 2008	in \$ 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,883,859	3,376,324
Trade accounts receivable, net of allowances	19,763,011	17,129,495
Investments (Available for sale)	4,559,990	2,762,280
Prepaid expenses and other current assets	10,729,437	12,156,652
Prepaid income taxes	5,777,069	4,229,066
Total current assets	46,713,366	39,653,817
Property, plant and equipment - net	55,111,690	50,677,332
Deferred tax assets	-	-
Other assets	4,192,212	3,569,472
TOTAL ASSETS	106,017,268	93,900,621
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	328,975	2,619,397
Borrowings - Short Term	19,938,056	21,082,778
Other accrued liabilities	15,696,927	11,906,867
Unclaimed Dividend	49,395	37,209
Income taxes payable	5,313,184	4,135,860
Total current liabilities	41,326,538	39,782,111
Deferred Tax Liability	1,310,711	1,012,281
Deferred Stock Compensation liability on adoption of SFAS 123 (R)	1,885,999	1,362,663
Minority Interest	1,648,670	1,788,756
STOCKHOLDERS' EQUITY		
Common Stock, \$0.05 par value :		
Authorized - 80,000,000		
Issued and outstanding - 62,103,560 (previous year 61,927,995)	2,900,920	2,892,107
Share application money	11,150	605
Additional paid-in-capital	14,711,214	14,500,060
Retained Earnings	36,723,372	31,512,783
Accumulated other comprehensive income	5,498,694	1,049,255
Total stockholders' equity	59,855,350	49,954,810
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	106,017,269	93,900,621

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED MARCH 31, 2008

(As per US GAAP)

(Amounts in USD)

	2008	2007	2006
REVENUE			
Revenue	124,836,370	85,570,325	50,868,868
Cost of revenue	85,611,556	56,584,866	30,293,195
Gross profit	39,224,814	28,985,459	20,575,673
OPERATING EXPENSES			
Selling, general and administrative expenses	23,098,494	13,971,426	9,009,769
Stock Compensation expenses in respect of options granted during the year	792,813	-	-
Depreciation and amortization	4,917,782	4,694,513	3,878,173
Total operating expenses	28,809,089	18,665,939	12,887,942
Operating income	10,415,725	10,319,520	7,687,731
Other income	1,124,645	1,579,378	1,119,723
Interest Expense	1,322,896	698,561	10,291
Income before income taxes	10,217,474	11,200,337	8,797,163
Provision for income taxes	1,669,516	1,288,566	1,474,445
Profit after tax	8,547,958	9,911,771	7,322,718
Extraordinary Item			
Cumulative effect of Stock compensation cost on adoption of SFAS 123 (R), net of tax	-	(1,362,663)	-
Minority Interest	(1,368,079)	(1,425,134)	(1,437,162)
Net income	7,179,879	7,123,974	5,885,556
EARNINGS PER EQUITY SHARE			
Before extraordinary item:			
Basic	0.12	0.14	0.10
Assuming Dilution	0.11	0.14	0.10
Weighted equity shares used in computing earnings per equity share			
Basic	62,015,774	60,348,016	56,234,148
Diluted	62,525,990	61,210,823	57,765,017

CONSOLIDATED STATEMENTS OF CASHFLOWS FOR THE YEARS ENDED MARCH 31

(As per US GAAP)

(Amounts in USD)

	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	7,179,879	7,123,974	5,885,556
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	4,917,782	4,694,513	3,878,173
Loss on sale of fixed assets	21,316	42,783	12,050
(Gain) on sale of Short Term Investments	(3,449)	(18,957)	(11,734)
Interest Expense	1,322,896	698,561	10,291
Interest Income	-	(80)	79
Diminution in value of investments	-	(80)	79
Deferred Tax Charge	22,797	212,859	(31,733)
Minority Interest	1,368,079	1,425,134	1,437,162
Cumulative effect of stock compensation expense	523,336	1,362,663	-
Changes in assets and liabilities			
Trade Accounts Receivable (Net)	(2,633,516)	(7,643,956)	(1,122,331)
Prepaid Expenses & Other Current Assets	1,427,215	(10,356,099)	3,526,208
Prepaid Income Taxes (net)	(95,046)	(67,297)	(8,030)
Other Assets	(622,740)	(1,402,142)	(1,091,462)
Accounts Payable	(2,290,422)	1,247,484	360,538
Other Accrued Liabilities	3,857,130	3,995,201	1,160,450
Net cash provided by operating activities	14,995,258	1,314,641	14,005,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Inter Corporate Deposit Placed/(Repaid)	-	-	(1,905,402)
Expenditure on property plant & equipment	(9,153,726)	(6,343,760)	(8,544,688)
Proceeds from sale of property plant & equipment	1,698,307	425,665	12,833
Acquisition of Goodwill (Net)	(1,918,037)	(25,559,168)	(65,191)
Purchase of investments (available for sale)	(50,897,613)	(75,862,594)	(20,385,472)
Proceeds from sale of investments (available for sale)	49,103,351	77,923,168	18,672,589
Net cash (used in) investing activities	(11,167,718)	(29,416,689)	(12,215,332)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of Alloted common stock	230,512	11,834,196	633,104
Proceeds from / (Repayment of) borrowings	(1,144,722)	21,082,778	(342,779)
Prepayment charges thereon	-	-	-
Dividends and dividend tax paid	(3,465,269)	(2,875,839)	(2,341,145)
Interest paid	(1,322,896)	(698,561)	(10,291)
Net cash (used in) / provided by financing activities	(5,702,375)	29,342,574	(2,061,111)
Effect of exchange rate changes	4,382,369	849,777	(522,942)
Net increase / (decrease) in cash and cash equivalents during the year	2,507,535	2,090,303	(794,168)
Cash and cash equivalents at the beginning of the year	3,376,324	1,286,022	2,080,190
Cash and cash equivalents at the end of the year	5,883,859	3,376,324	1,286,022

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(As per US GAAP)		(Amounts in USD)						
	Equity shares Number of shares	Par Value	Share application money	Additional paid-in capital	Comprehensive Income	Accumulated other comprehensive income	Retained Earnings	Total stockholder's equity
Balance as of March 31, 2005	11,154,674	2,610,648		2,300,764	-	722,635	21,727,283	27,361,330
Common stock issued	884,425	39,651		607,513	-	-	-	647,164
Stock Split Adjustments	44,618,696							
Comprehensive income								
Net income					5,885,556		5,885,556	5,885,556
Other comprehensive income								
Unrealized holding gains					11,611	11,611		11,611
Foreign currency translation					(522,942)	(522,942)		(522,942)
					(511,331)			
					5,374,225			
							(1,440,223)	(1,440,223)
Cash dividends declared								
Balance as of March 31, 2006	56,657,795	2,650,299		2,908,277		211,304	26,172,616	31,942,496
Common stock issued	5,270,200	241,808		11,591,783				11,833,591
Comprehensive income								
Net income					7,123,974		7,123,974	7,123,974
Other comprehensive income								
Unrealized holding gains					(11,826)	(11,826)		(11,826)
Foreign currency translation					849,777	849,777		849,777
					837,951			
					7,961,925			
			605				(1,783,807)	605
Share application money								
Cash dividends declared								
Balance as of March 31, 2007	61,927,995	2,892,107	605	14,500,060		1,049,255	31,512,783	49,954,810
Common stock issued	175,565	8,814		211,153				219,967
Comprehensive income								
Net income					7,179,879		7,179,879	7,179,879
Other comprehensive income								
Unrealized holding gains					67,070	67,070		67,070
Employee stock options (net)					(1,501)		(1,501)	(1,501)
Foreign currency translation					4,382,369	4,382,369		4,382,369
					4,447,938			
					11,627,817			
			10,545				(1,967,789)	10,545
Share application money								
Cash dividends declared								
Balance as of March 31, 2008	62,103,560	2,900,920	11,150	14,711,214		5,498,694	36,723,372	59,845,350

PROFIT RECONCILIATION

(Between consolidated financials under Indian GAAP and US GAAP)

(As per US GAAP)

(Amounts in USD)

	Year ended March 31		
	2008	2007	2006
Consolidated profit as per Indian GAAP (converted at average exchange rate)	7,995,490	8,279,669	5,823,088
Deferred tax (allocable to continuing operations)	22,797	206,968	62,468
Other adjustments - Compensation expense (net of tax)	(792,813)	(1,362,663)	-
Consolidated profit as per US GAAP	7,179,879	7,123,974	5,885,556

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. The Company

Geometric is a specialist in the domain of engineering solutions, services and technologies. Its portfolio of Global Engineering services and Digital Technology solutions for Product Lifecycle Management (PLM) enables companies to formulate, implement, and execute global engineering and manufacturing strategies aimed at achieving greater efficiencies in the product realization lifecycle.

Headquartered in Mumbai, India, Geometric was incorporated in 1994 and is listed on the Bombay and National Stock Exchanges.

It employs close to 3000 people across 10 global delivery locations in the US, France, Romania, India, and China. Geometric is assessed at SEI CMMI Level 5 for its software services and ISO 9001:2000 certified for engineering operations.

b. Basis of preparation of financial statements

The accompanying consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP"). All amounts are stated in US Dollars.

c. Principles of Consolidation

Name of Subsidiary	Country of Incorporation or Residence	Proportion of Ownership Interest
Geometric Americas, Inc. (Formerly Geometric Software Solutions, Inc.) including Geometric Engineering Inc. (Formerly known as Modern Engineering Inc.) & its subsidiaries	USA	100%
Geometric Asia Pacific Pte. Ltd. (formerly Geometric Software Solutions, Pte. Ltd.) including Geometric China, Inc.	Singapore	100%
3D PLM Software Solutions Ltd.	India	70%
Geometric Technologies, Inf. (formerly TekSoft, Inc.)	USA	82.26%

The accounts of wholly owned subsidiaries are consolidated with the financial statements of the Company. The accounts of other subsidiary companies have been consolidated with the financial statements of the Company with appropriate recognition of Minority Interest. Inter Company balances and transactions are eliminated on consolidation.

d. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include provision for expenses, bad and doubtful debts, future obligations under employee benefit plans, employee ex-gratia, profit-linked bonus, useful lives of property plant and equipment. Actual results could differ from those estimates.

e. Property, plant and equipment

Property, plant and equipment are stated at cost. The Company depreciates all property, plant and equipment using the straight line method or the declining method. The estimated useful lives of the assets are as follows:

Asset	Useful Life Of Asset In Years
Buildings	28
Computers and Software	3
Electrical Installation	8
Office Equipment	13
Furniture and Fixtures	10
EPABX Systems	10
Vehicles	10
Software	3-5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

In case of fixed assets of the subsidiary, Geometric Americas, Inc. (formerly known as Geometric Software Solutions, Inc.), the accelerated method of depreciation has been followed. This has no material impact on the consolidated financial statements.

Leasehold land is amortized over the period of lease.

Deposits paid towards the acquisition of these long lived assets outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress". Costs of improvements that substantially extend the useful life of particular assets are capitalized. Repairs and maintenance cost are charged to earnings when incurred. The cost and related accumulated depreciation are removed from the consolidated financial statements upon sale or disposition of the asset.

The company evaluates the recoverability of these assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed are reported at the lower of the carrying value or the fair value less the cost to sell.

In case of the fixed assets of the subsidiary, Geometric Software Solutions Inc., depreciation is provided using accelerated methods over an estimated useful life of five years.

f Intangible Assets

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

g Goodwill

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable tangible and intangible net assets purchased. Goodwill is tested for impairment on an annual basis, relying on a number of factors including operating results, business plans and future cash flows.

h Investments

Investment securities in which the Company controls less than 20% voting interest are currently classified as "available for sale" securities. Non-readily marketable equity securities for which there are no readily

determinable fair values are recorded at cost. Investment securities designated as "available-for-sale" are carried at their fair value. Fair value is based on quoted market prices. Unquoted securities are carried at cost, adjusted for declines in value judged to be other than temporary. Temporary unrealized gains and losses, net of the related tax effect are reported as a separate component of stockholders' equity until realized. Realized gains and losses and declines in value judged to be other than temporary on available-for-sale securities are included in the statements of income. The cost of securities sold is based on the weighted average method. Interest and dividend income is recognized when earned.

i. Cash and cash equivalents

The Company considers Cash and cash equivalents to include cash in hand and balances in current account and deposit accounts (with maturity of three months or less) with banks.

j. Income Taxes

Income taxes have been computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses. Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to timing differences between the taxable income and the accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or settled. The effect of changes in the tax rates on deferred tax assets and liabilities is recognized in the statement of income in the period of change. Deferred tax assets are recognized based on management's judgment as to the sufficiency of future taxable income against which the deferred tax asset can be realized.

k. Fair value of financial instruments

The carrying amounts of cash, cash equivalents, accounts receivable and accounts payable approximate their respective fair values due to short maturities of these instruments.

l. Revenue Recognition

Revenue from time and material contracts for software development is recognised on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are despatched to customers. In case of fixed price contracts, revenue is recognised on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed. Revenue from sale of traded software products and software upgradation fee is recognised when the sale has been completed with the passing of the title. Revenue from software upgradation fees on software developed by the Company is recognised over the period for which it is received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

m. Earnings per share

The basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

If the number of common shares outstanding increases as a result of a stock dividend or stock split or decreases as a result of a reverse stock split, the computations of basic and diluted earnings per share are adjusted retroactively for all periods presented to reflect that change in capital structure. If such changes occur after the close of the reporting period but before issuance of the financial statements, the per-share computations for that period and any prior-period financial statements presented are based on the new number of shares.

n. Stock based Compensation

The company has adopted SFAS 123(R), Accounting for Stock-Based Compensation, using a fair value-based method of accounting for stock-based employee compensation plans.

o. Research and Development

Research and Development costs are expensed as incurred. Software product development costs are expensed as incurred until technological feasibility is achieved. Software product development costs incurred to the achievement of technological feasibility have not been significant and have been expensed as incurred.

p. Retirement benefits to employees

i) Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

ii) Post Employment benefits:

1. Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged as an expense in the Profit and Loss Account as they fall due.

2. Defined Benefit Plans:

Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of

Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

iii) Other Long Term Employee Benefits:

Other Long Term Employee Benefits viz., accrued leave, leave encashments are recognised as an expense in the Profit and Loss Account as and when it accrues. The Company determines the liability using the Projected Unit Credit Method, with the actuarial valuation carried out as at the Balance Sheet date. Actuarial gains and losses in respect of such benefit are charged to the Profit and Loss Account.

q. Foreign currency translation

The financial statements are reported in US dollars. The functional currency of the Company and 3D PLM Software Solutions Limited is the Indian rupee. The functional currencies of subsidiaries outside India are respective local currencies. The balance sheet accounts are translated using the exchange rate in effect at the balance sheet date and revenue and expense items are stated at an average of the monthly simple averages for twelve months. The gains or losses arising due to such conversion are reported as other comprehensive income, separately under Stockholders' equity.

r. Foreign currency transactions

The Company records income and expenditure in foreign currency at the exchange rates prevailing at the time of transactions. All exchange losses and gains arising out of fluctuations in the exchange rates are dealt with in the Profit and Loss Account.

s. Concentration of risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The Company's cash resources are invested with corporations and banks with high investment grade credit ratings. Limitations have been established by the Company as to the maximum amount of cash that may be invested with any such single entity. To reduce its credit risk, the Company performs ongoing credit evaluations of clients.

t. Business Combinations

Business combinations have been accounted using the purchase method under the provisions of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standard (SFAS) No. 141, Business Combinations. Cash and amounts of consideration that are determinable at the date of acquisition are included in determining the cost of the acquired business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**u. Cash Flow Hedges**

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company designates these as Cash Flow Hedges.

The use of foreign currency forward contracts is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such forward contracts consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculation purpose.

Foreign currency forward contracts are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Cash Flow Hedging Reserve and the ineffective portion is recognised immediately in the Profit and Loss Account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instruments recognized in the Cash Flow Hedging Reserve is retained there until the forecasted transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognized in the Cash Flow Hedging Reserve is transferred to profit and loss account for the year.

2. PROPERTY, PLANT & EQUIPMENT**Property, plant and equipment - net**

	As at March 31	
	2008	2007
Goodwill	\$32,654,186	\$ 28,468,270
Intangible Assets	6,482,665	4,012,317
Land	1,264,242	1,155,481
Buildings	8,416,628	7,593,720
Leasehold Improvements	123,689	109,993
Computers	13,836,486	15,034,462
Electrical Installations	5,396,290	4,855,381
Office Equipment	1,779,006	1,468,311
Furniture & Fixtures	6,397,046	5,464,600
Vehicles	143,883	115,773
Capital work-in-progress & Capital Advances	26,496	113,545
	76,520,618	68,391,853
Accumulated Depreciation/Amortization	21,408,928	17,714,521
	55,111,690	50,677,332

Depreciation expenses amounted to \$ 3,918,145, \$ 4,274,289 and \$3,575,537 for the financial years ended March 31, 2008, 2007 and 2006 respectively.

Amortization of intangible assets amounted to \$ 999,025, \$420,223 and \$302,626 for the financial year ended March 31, 2008, 2007 and 2006 respectively.

3. CASH & CASH EQUIVALENTS

The cost & fair values for cash and cash equivalents as at March 31, 2007 and 2006 are as follows:

	2008	2007
Cash on hand	\$ 1,484	\$14
Balance with Bank on Current & Deposit accounts	5,882,375	3,376,310
	5,883,859	3,376,324

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

4. INVESTMENTS

During the year, Geometric Americas, Inc. (Formerly Geometric Software Solutions, Inc.), the Company's wholly owned subsidiary increased its shareholding in Geometric Engineering Inc. (Formerly Modern, Inc.) from 95% to 100%. Geometric Americas Inc. has also purchased remaining 1,510 shares of Geometric Technologies Inc. (Formerly Teksoft Inc.) from minority shareholders. As a result, Geometric Technologies, Inc. has now become a 100% owned subsidiary of the Company.

Effective February 1, 2008, Geometric China Inc., a subsidiary of Geometric Engineering, Inc., was re-aligned as a subsidiary of Geometric Asia Pacific Pte. Ltd. for operational convenience.

5. ACCOUNTS RECEIVABLE

The accounts receivable as of March 31, 2008 amounted to \$ 19,763,011 net of allowance for doubtful debts of \$ 440,052. The accounts receivable as of March 31, 2007 amounted to \$ 17,129,495 net of allowance for doubtful debts of \$328,541.

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	2008	2007
Interest accrued on deposits with banks	\$253,586	\$221,670
Unbilled revenue	6,935,151	6,072,206
Loans to employees	175,664	121,781
Prepaid expenses	1,319,457	1,844,437
Unrealized Forward Exchange contract Premium	232,042	1,403,020
Other loans and advances	1,813,557	2,493,538
TOTAL	10,729,437	12,156,652

Other loans and advances primarily represent payments to vendors for supply of goods and services.

7. OTHER ASSETS

Other assets represent the non-current portion of deposits placed.

8. RELATED PARTIES

The Company grants loans to employees for leased housing deposits and for acquiring assets such as vehicles and computers. Such loans are repayable over fixed periods ranging from 10 to 12 months. Interest is charged @ 10% on vehicle loans, @ 13% on computer loans, @ 13% on Lease housing deposit.

9. STOCKHOLDERS' EQUITY

The Company has only one class of capital stock referred to herein as equity shares. The Company has issued 175,565 (Par Value \$ 0.05); 1,403,125 (Par Value \$ 0.046) and 884,425 (Par Value \$0.05) equity shares on exercise of options granted, during the financial year ended March 31, 2008; March 31, 2007 and March 31, 2006 respectively.

During the year, Company has made preferential issue of Nil (previous year 3,867,075 (Par Value \$0.046) equity shares.

Voting

Each equity share is entitled to one vote.

Dividends

Dividends will be paid, as and when declared, in Indian Rupees. As per the guidelines issued by the Securities & Exchange Board of India, shares issued by Companies are to rank *pari-passu* in all respects. Accordingly, the Company had provided for dividend for the entire year, even on shares issued during the year, instead of on pro-rata basis.

The Company has declared a cash dividend of \$1,967,789, \$1,783,807 and \$1,440,223 for the financial years ended March 31, 2008, 2007 and 2006 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

Liquidation

In the event of liquidation of the Company, the holders of the Common Stock shall be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

Stock Options

There are no voting, dividend or liquidation rights to the holders of options issued under the Company's Stock Option plan.

10. EMPLOYEE STOCK OPTION PLANS:

Particulars	Scheme III ESOP Directors 2000 Scheme	Scheme IV ESOP Scheme 2001	Scheme V ESOP Scheme 2003	Scheme VII Special ESOP Scheme 2006
1. Details of the Meeting	Annual General Meetings (July 14, 2000 and June 29, 2004)	Annual General Meetings (June 22, 2001 and June 29, 2004)	Annual General Meetings (June 18, 2003 and June 29, 2004)	Extraordinary General Meeting (November 21, 2006)
2. Approved (Nos.)	300,000	3,546,250	2,750,000	1,850,000
3. The Pricing Formula	National Stock Exchange (NSE) market price	Closing price on National Stock Exchange (NSE) on a day previous to the day of grant.	Closing price on NSE on date immediately preceding grant of options. The options may be granted at Market Price computed in accordance with the ESOP Guidelines	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.
4. Options Granted (Nos.)	260,000	3,449,120	@ 2,100,025	1,847,500
5. Options Vested (Nos.)	260,000	3,449,120	1,772,707	400,000
6. Options Exercised (Nos.)	216,500	2,368,560	1,144,105	-
7. Options Forfeited / Surrendered (Nos.)	28,500	1,028,515	1,100,715^	25,000^
8. Options Unexercised (Nos.)	15,000	-	955,920	1,847,500
9. Options Lapsed (Nos.)	-	52,045	-	-
10. Total Number of Options in force	15,000	-	955,920	1,847,500
11. Variation in terms of ESOP	NA	Amended on June 18, 2003, so as to grant options to employees of the subsidiaries of the Company retrospectively.	NA	NA
12. Total number of shares arising as a result of exercise of options (including shares pending allotment)	216,500	2,368,560	1,144,105	-

^ The surrendered options can be re-issued as per the terms of the Scheme.

Notes:

- Options exercised include 6,200 options (Scheme IV) which have been exercised by the concerned employees but equity shares are pending allotment.
- The number of options mentioned above have been adjusted for subdivision of the companies shares from face value of Rs. 10 each into five equity shares of face value of Rs. 2 each on August 2, 2005 and on account of issue of bonus shares on August 6, 2004.
- In the event of any further rights or bonus issue of equity shares prior to conversion, the entitlement of shares shall be suitably revised. In the event of a bonus issue, the number of shares shall be increased proportionately and the price revised downwards. The options vest in the employees to whom they are granted subject to the employee being in employment of the Company and his/her performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

Deferred Stock Compensation :

Year ended March 31, 2008: Pursuant to the adoption of SFAS 123R, the Company has recorded deferred compensation cost of \$ 523,336 (net of tax).

Year ended March 31, 2007: Pursuant to the adoption of SFAS 123R, the Company has recorded deferred compensation cost of \$1,362,663 (net of tax).

Year ended March 31, 2006: The Company had not recorded deferred compensation with respect to 5,774,276 stock options granted during the year as there was no difference, on the grant date, between the exercise price and the market value of the Company's shares.

The fair value of each warrant is estimated on the date of grant using an option pricing model which takes into consideration the following assumptions :

	Year ended March 31		
	2008	2007	2006
Dividend yield	1.54%	1.04%	1.22%
Expected life	3.65 years	1.5 -3 years	1.94-4.5 years
Risk free interest rates	7.31% - 8.02%	6.47-7.42%	6.03-6.65%
Volatility	56.29% - 60.71%	42.77-62.24%	63-126%

- Activity in the options held under all the schemes of the Employee Stock Option Plan and Preferential Stock Option Plan during the financial years ended March 31, 2007, 2006 and 2005 is as follows:

	2008		2007		2006	
	No. of shares arising out of options	Weighted average exercise price	No. of shares arising out of options	Weighted average exercise price	No. of shares arising out of options	Weighted average exercise price
Scheme II						
Outstanding at the beginning of the year	-	-	-	-	5,450	\$2.33
Granted -	-	-	-	-	-	
Forfeited	-	-	-	-	260	2.33
Lapsed -	-	-	-	-	-	
Exercised	-	-	-	-	5190	2.33
Outstanding at the end of the year	-	-	-	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-
Scheme III						
Outstanding at the beginning of the year	23,500	1.07	74,000	4.91	33,100	\$8.38
Granted/ Adjusted for Split					94,000	1.67
Forfeited			5,000	1.13	13,500	1.67
Exercised	8,500	1.06	45,500	4.91	39,600	1.67
Outstanding at the end of the year	15,000	1.23	23,500	1.07	74,000	4.91
Exercisable at the end of the year	15,000	1.23	23,500	1.07	74,000	4.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

	2008		2007		2006	
	No. of shares arising out of options	Weighted average exercise price	No. of shares arising out of options	Weighted average exercise price	No. of shares arising out of options	Weighted average exercise price
Scheme IV						
Outstanding at the beginning of the year	119,885	1.11	820,360	4.29	279,558	\$7.36
Granted/Adjusted for Split					963,256	1.47
Forfeited	54,295	1.17	26,000	1.12	30,851	1.47
Exercised	57,120	1.25	674,475	4.29	391,603	1.47
Outstanding at the end of the year	8,470	1.17	119,885	1.11	820,360	4.29
Exercisable at the end of the year	8,470	1.17	119,885	1.11	597,480	4.29
Scheme V						
Outstanding at the beginning of the year	1,194,010	1.47	2,133,985	5.38	476,964	\$9.60
Granted/Re-issued/ Adjusted for Split					2,119,120	1.92
Forfeited	128,145	1.61	256,825	1.35	237,461	1.92
Exercised	109,945	1.26	683,150	5.38	224,638	1.92
Outstanding at the end of the year	955,920	1.65	1,194,010	1.47	2,133,985	5.38
Exercisable at the end of the year	695,020	1.54	342,280	1.47	492,320	5.38
Scheme VI						
Outstanding at the beginning of the year	2,554,000	2.43	2,339,750	2.30	-	-
Granted	447,500	2.96	758,500	2.62	2,597,900	\$2.30
Forfeited	25,000	2.89	544,250	2.38	258,150	2.30
Exercised -	-	-	-	-	-	-
Outstanding at the end of the year	1,847,500	2.90	2,554,000	2.43	2,339,750	2.30
Exercisable at the end of the year	-	-	-	-	-	-
Scheme VII						
Outstanding at the beginning of the year			-	-	-	-
Granted			1,425,000	\$2.64	-	-
Forfeited			-		-	-
Exercised			-		-	-
Outstanding at the end of the year			1,425,000	\$2.64	-	-
Exercisable at the end of the year			-		-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

11. OTHER ACCRUED LIABILITIES & UNCLAIMED DIVIDEND

As at March 31

	2008	2007
Accrued compensation to staff	1,462,413	\$246,035
Leave encashment benefit on retirement	702,301	868,873
Dividend and taxes thereon	1,458,997	1,366,920
Provision for free service under product warranties	-	2,512
Advances from Customers	1,459,112	1,729,995
Unearned Revenue	-	474,742
Other Liabilities	10,614,104	7,217,790
	15,696,927	11,906,867

12. EMPLOYEE POST-RETIREMENT BENEFITS

The company contributed following amounts to the funds-

Sr no	Particulars	2008	2007	2006
1	Gratuity- Contribution to Fund managed by Life Insurance Corporation of India	\$ 388,020	\$362,429	\$207,948
2	Superannuation- Contribution to Fund managed by Life Insurance Corporation of India	\$ 331,050	\$231,832	\$185,749

13. EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Year ended March 31

	2008	2007	2006
Basic earnings per equity share - weighted average number of common shares outstanding	62,015,774	60,348,016	56,234,148
Effect of dilutive common equity shares – stock options outstanding	510,216	862,807	1,530,869
Diluted earnings per equity share – weighted average number of common shares and common equivalent shares outstanding	62,525,990	61,210,823	57,765,017

The computation of basic and diluted earnings per share has also been adjusted retroactively for all periods presented to reflect the change in capital structure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)**14. SEGMENT REPORTING**

The Company's primary segments consist of projects and products.

The Secondary segments are geographical areas by location of customers

	2008	2007	2006
PRIMARY BUSINESS SEGMENT RESULTS			
A Segment Revenue			
Products	8,413,181	9,159,466	7,797,189
Projects	116,423,184	76,410,859	43,071,679
Net sale / Income from Operations	124,836,370	85,570,325	50,868,868
B Segment Results			
Profit / Loss Before Tax and Interest from each Segment			
Products	3,496,816	4,714,466	3,847,780
Projects	29,422,175	22,377,428	15,896,557
Total	32,918,991	27,091,894	19,744,337
Less: (I) Interest	1,416,409	695,183	-
(II) Other unallocable Expenditure net of unallocable income	21,291,855	15,196,374	10,947,174
Total Profit Before Tax	10,210,276	11,200,337	8,797,163

SECONDARY GEOGRAPHICAL SEGMENT – REVENUE

United States	86,565,087	53,711,672	30,062,068
Europe	25,231,534	25,144,526	14,710,994
Asia Pacific	9,521,357	4,594,700	3,071,042
India	3,518,392	2,119,428	3,024,764
Total	124,836,370	85,570,325	50,868,868

The Fixed Assets used in the company's operations or Liabilities contracted have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between the segments. The Company believes that it is currently not practicable to provide segment disclosure relating to total assets and liabilities.

Significant Clients

	Year ended March 31		
	2007 in \$	2006 in \$	2005 in \$
Client 1 - % of revenue	22.70%	31.00%	30.73%
Receivable as at year end	\$1,794,942	\$1,630,000	\$1,570,634
Client 2 - % of revenue	10.30%	12.00%	14.52%
Receivable as at year end	\$1,630,133	\$1,050,000	\$1,192,296
Client 3- % of revenue	5.40%	7.00%	6.94%
Receivable as at year end	\$599,952	\$590,000	\$900,752

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

15. OTHER INCOME – NET

Other income, net, consists of the following:

	Year ended March 31		
	2008	2007	2006
Dividend Income	\$ 64,100	\$364,929	\$110,017
Interest income	59,664	23,082	56,526
Rent	724,260	892,518	944,548
Gain / (Loss) on sale of Investments	3,419	18,275	11,734
(Loss) / Gain on sale of Fixed Assets	-	(41,243)	(12,050)
Other Income	273,202	321,817	8,948
	1,124,645	1,579,378	1,119,723

16. INCOME TAXES

The provision for Income Taxes is composed of :

	2008	2007	2006
Current Taxes			
Indian Taxes	1,530,044	\$950,707	\$1,096,576
Foreign Taxes	205,037	357,666	346,136
	1,735,081	1,308,373	1,442,712
Deferred Taxes	(65,564)	(19,807)	31,733
Aggregate Taxes	1,669,516	1,288,566	1,474,445

Reconciliation of tax rates

	Year ended March 31		
	2008	2007	2006
Income before taxes	\$10,217,474	\$11,200,337	\$8,797,163
Statutory tax rate	33.99%	33.66%	33.66%
Income tax expense at the statutory tax rate	\$3,472,919	\$3,770,033	\$2,961,125
Increases/(Reductions) in taxes on account of :			
Accelerated/specific tax deductions	-	(116,481)	8,934
Income exempt from income taxes	(2,701,101)	(3,507,232)	(2,323,424)
Income charged at rates other than statutory tax rate			-
Others	897,698	1,142,246	827,810
Income tax expense reported	1,669,516	1,288,566	1,474,445

17. TAX CONTINGENCIES

- \$ 4,337 in respect of disputed demand of excise duty against which the company has preferred an appeal.
- \$ 4,165 in respect of a sales tax assessment of a previous year against which the Company has applied for cancellation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

18. OTHER COMMITMENTS & CONTINGENCIES

- a. Guarantees given by the Company's bankers against counter guarantees given by the Company \$ 108,057.
- b. Corporate Guarantee of up to USD 8,000,000 in respect of a loan availed by its subsidiary secured by mortgage of immovable property of the Company at Pune in favour of Citibank, N.A. or its agents or trustees.
- c. Corporate guarantee in respect of a revolving credit of USD 10,000,000 availed by its subsidiary. As at March 31, 2008, *USD 8,013,056* has been drawn under the credit agreement. The above credit facility is secured by all the assets of the subsidiary.
- d. Future minimum lease obligations are as follows-
 - Due within one year \$ 5,104,558
 - Due between one year and five years \$ 8,570,960
 - Due after five years \$ 680,277

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31,2008

	Current Year	Previous Year
Ratio- Growth compared to previous year		
Growth in Operating Revenue	26.8%	71.4%
Growth in Total Revenue	28.4%	71.2%
Growth in PBT	(12.6%)	30.0%
Growth in PAT	(14.2%)	45.2%
Ratio- Financial Performance		
Export Revenue/Total Revenue	93.3%	94.8%
Domestic (India) Revenue/Total Revenue	2.7%	2.4%
Other Income/Total Revenue	4.0%	2.8%
Manpower cost/Total Revenue	64.7%	61.4%
Other Operating Expenses/Total Revenue	21.5%	19.5%
Operating & Other Expenses/Total Revenue	86.2%	80.9%
Interest costs/Total Revenue	1.1%	0.9%
Depreciation/Total Revenue	3.9%	5.4%
PBT/Total Revenue	8.7%	12.8%
PBT/Average Net Worth	40.9%	43.7%
ROCE (PBIT/Average Capital Employed)	15.73%	23.5%
Capital Output Ratio (Total Revenue/Average Capital Employed)	1.59	1.72
Payout ratio (Dividend paid/PAT)	18.4%	15.5%
Ratios- Balance Sheet		
Debt/Equity Ratio	0.32	0.41
Current Ratio	2.55	2.49
Cash and Bank balances/Total Assets	7.0%	4.5%
Cash and Bank balances/Total Revenue	4.6%	3.7%
Sundry Debtors/Total Revenue	15.6%	18.9%
Depreciation for the year/Average Gross Block of assets	11.5%	12.2%
Per- Share Data		
Earnings per Share (Basic) Rs.	5.18	6.20
Cash Earnings per Share (Basic) Rs.	8.36	9.47
Dividend %	40%	40%
Dividend per Share of Rs 10 each (Rs.)	0.80	0.80
Book Value (Rs.)	19.37	16.08

NOTES

NOTES

Recipient of the 2008 Frost & Sullivan
Global Engineering Design Services
Emerging Company of the Year Award

Inducted into John Deere Excellence Hall of Fame
through a Partner Level Supplier Award
2007

iPQM, our PLM-ERP-MES composite manufacturing solution
was one of the winners at SAP Co-innovation challenge
2007

Recognized amongst NASSCOM's 100 IT Innovators
2007

Ranked amongst the DataQuest
Top 20 IT Best Employers' in India
2006 & 2007

Recognized as one of Asia Pacific's leading technology
companies and ranked among Deloitte Touche Tohmatsu
Asia Pacific Technology Fast 500
2003, 2004 & 2007

ISO 9001:2000 certified for Engineering Operations

An SEI CMMI Level 5 Company

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