



Geometric

Engineering | PLM | Technology

Annual Report 2008-09



Reinforce | Conserve | Innovate

We believe the present scenario calls not just for persistence and continuity, but for thinking out of the box. It's an opportunity not just to do different things, but to do things differently.

We are reengineering our cost structures, optimizing our systems and leveraging our capabilities in novel ways to offer customers more for less. Geometric is working towards delivering products and services that enable our customer to do more with the same resources and become more effective.

The need of the hour is innovative resource management. To battle the challenges of the current market scenario, and combat the threats of altering industry dynamics, Geometric is employing a four-pronged strategy across the following crucial areas, to help add value to our customers' business:



Strengthen

customer relationships through cross-selling and superior services



Leverage

our presence in global locations to deliver cost-effective solutions and services



Empower

our people to multi-task, be creative, and take decisions faster



Ideate

to enhance existing products, tools and services for delivering greater value



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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 government 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.



Vision, Mission & Values

Vision

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

Mission

Our mission is to help our customers achieve their business goals through excellence in global product realization. We will enable this through solutions based on innovative technologies, efficient processes and world-class competencies in our people.

Values

Our corporate values are reflected in all our people and in everything we do.

**Passion for
Excellence**



**Unyielding
Integrity**



**Valuing the
Individual**



**Global
Mindset**



**Customer
Focus**





Board of Directors



J. N. Godrej
Chairman



Manu M. Parpia
Founder and
Vice Chairman

Ravishankar G.
Managing Director
and CEO



Dr. K. A. Palia
Director



Milind S. Sarwate
Director



Dr. Richard Riff
Director

Anita Ramachandran
Director



Ajay Mehra
Director

Company Secretary
Vijay Gangrade

Auditors
Kalyaniwalla & Mistry
Chartered Accountants

Registrars & Share Transfer Agents
Link Intime India Pvt. 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



Management Team

Corporate Functions



Ravishankar G.
Managing Director and CEO



Raja Ramana Macha
Chief Operating Officer



Kalidas Surapaneni
Senior Vice President
and Global Head,
Strategic Accounts



Rani Desai
Vice President and Head,
Human Resources &
Organizational Development



Sarvesh Naik
Director and Head,
Corporate Marketing &
Communications



Rajiv Singh
Vice President,
Corporate Strategy



Priya Jadhav
Vice President,
Finance



Basil Almeida
Vice President and
General Counsel



Management Team

Business Units



Ajit Joshi
Senior Vice President and Head,
Product Lifecycle Management Solutions



Venkatesh Jagannath
Vice President and Head,
Software Product Engineering



Shashank Patkar
CEO, 3D PLM Software Solutions Ltd.
(Joint Venture Company with
Dassault Systèmes)



Dr. Vinay Kulkarni
Vice President and Head,
Desktop Products & Technologies



Avinash Salelkar
Vice President and Head,
Engineering Services

Letter to the Shareholders



Dear Shareholders,

The financial year 2009, saw a severe economic downturn in the global economy that had not been witnessed in decades. The year threw in a unique set of challenges, as the economic downturn affected almost every major market segment, while the volatility of exchange rates coupled with a credit crunch affected the markets' outlook as well as performance. Most customers resorted to cost reductions and postponement of investments in discretionary areas to tide over the situation. As customers turned cautious, we had to be patient and perseverant; patient in dealing with the long decision and sales cycles, while perseverant for customer acquisition and growth.

We closed our fiscal 2009 with operating revenues of Rs. 5,981 million, registering a growth of 23.10%. In US Dollar terms, revenues increased to USD 129.47 million, an increase of

6.51% over the previous year. The operating profit (excluding forex gain/loss) was at Rs. 523.93 million, an increase of 119%, as compared to Rs. 239.04 million for the previous year. During the year, we made provisions to cover the uncertainty in our receivables from some of the large customers. These provisions with higher foreign exchange losses resulted in after tax losses of Rs. 65.47 million, prior to adjustments for prior period and extraordinary items. The company recorded a profit of Rs. 68.83 million, after adjustments for extraordinary items.

During the year, we added 55 new customers reflecting the strong value proposition that we offer. Almost all our customers, except for those who had their own financial reasons, continued their strong relationship with us, as they have been in the past. We understand that the strength of these relationships is a critical factor in our growth and used this opportunity to create value by driving efficiencies through building on existing customer relationships; leverage of competencies by offering specific customized offerings; conservation of resources; and innovating and building on newer niches for future growth.

Over the last three years, we have been steadily increasing our thrust on direct customers with a view to improve our margins and have better control of our business pipeline. Our revenues from the direct industrial customer segment, in accordance, accounted for 52.40%, as compared to 47.70% last year. Revenues from Software ISV segment increased from 34.40% last year to 35.70% this year.

Your Company has been driving focused initiatives to achieve operational efficiencies, which is reflected in an improvement in utilization from 84.20% (excluding trainees) last year to 87.10% (excluding trainees) this year. Sustained thrust on driving profitability margins through increased offshoring resulted in an increase in offshore revenues for services from 50.90% to 56.70% this year. All of this resulted in an increase in operating profits by 119% over last year.

Our joint venture with Dassault Systèmes (DS), 3D PLM Software Solutions Ltd., grew from strength to strength during the year. 3DPLM continues to be a key value driver for both Geometric and DS, and we believe that it will continue to grow and be a feather in our and DS' cap.



With a view to tap newer avenues for growth, your Company strengthened its presence in non-traditional verticals such as Oil & Gas, High-tech and Fashion in the PLM business. The PLM business also rolled out specific offerings and point solutions in these areas to generate traction. The Software Products Engineering business explored uncharted territories such as Machine Tools and Medical Imaging, and was able to add some marquee customers to its portfolio. The Engineering Services business line-extended its offerings portfolio with introduction of technical publication services. DFMPPro from our products stable, which was earlier available only with SolidWorks®, launched a Pro/Engineer version of DFMPPro, in response to a significant demand.

Your Company continued to drive innovation in its products business through continuous product enhancements and upgrades. We received a patent for solid-based search algorithms developed and used in 3DSearchIT®. DFMPPro was recognized by NASSCOM as the '100 IT INNOVATORS' for 2008. This was a recognition bestowed on our products business by NASSCOM for the second year in a row. On the services front, our global engineering model was deployed in areas of manufacturing engineering to leverage our global infrastructure in US, Romania and India successfully, and deliver significant value to customers.

Over 2900 Geometricians, who are the building blocks of your Company, have striven hard to get the company through these turbulent times, through their commitment, dedication and drive. We continue to lay emphasis on grooming and honing this talent, in-house, through our PLM institute and various initiatives run by individual businesses. We continued our endeavor to support the ecosystem that we draw from, through UDAAN, our CSR initiative.

With a view to drive higher customer responsiveness, decentralize decision making and ensure profitability across businesses, a new customer-focused organization structure was deployed by your Company in the last quarter of FY 2009. With the new structure in place, each business will own and drive their P&Ls. With the decentralized structure, the businesses will be in control of sales, delivery and innovation, and will be in a position to bring in the rigor and focus, thereby, enhancing value delivered.

With an emphasis on driving customer value, we have established a 'relationship management' structure to ensure that the focus on our strategic partners and customers remains strong. This structure will help us engage closely with our strategic customers, and understand and address their business problems more effectively.

With the slowdown in the global marketplace, it was crucial for us to rationalize our cost base. We have effected reductions in SG&A, aggressive cash flow management, consolidation of subsidiaries, and sale and monetization of fixed assets to achieve this end. We have undertaken a capital restructuring exercise, with a view to restructure the balance sheet and reflect the true value of the assets, liabilities and net worth of the Company.

We believe that in these recessionary times, companies globally will need to optimize their capital and operational cost structures to remain competitive at the same time address increasingly stringent regulatory and environmental compliance requirements. This is expected to open up significant opportunities in the engineering services and technology space, and your Company is well placed to leverage these opportunities.

In conclusion, I'd like to thank you and the Board of Directors of your Company, for believing in the management team, and supporting us surmount the challenges of a turbulent environment. With the changes that we have initiated, I am sure we have put FY 2009 behind us, and are confident of delivering higher value to our customers, employees and shareholders, and look forward to your continued support.

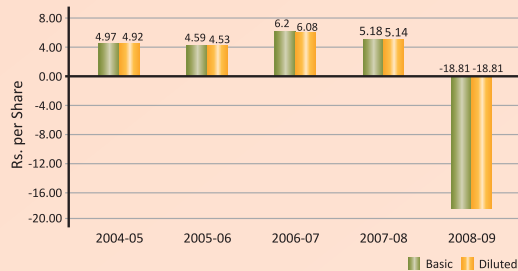
Yours sincerely,

Ravishankar G.
Managing Director & CEO

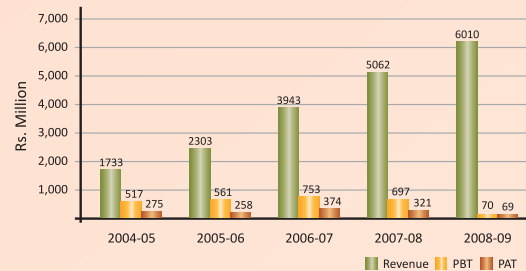


Financial Highlights (Consolidated)

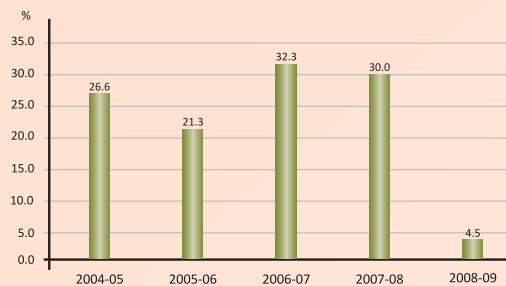
EPS Consolidated



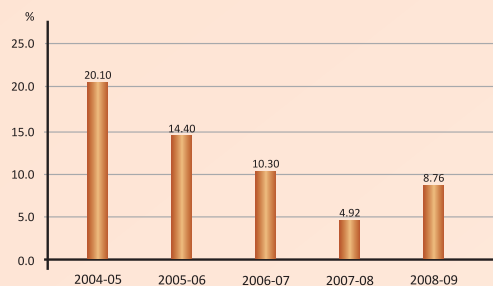
Revenue/PBT/PAT



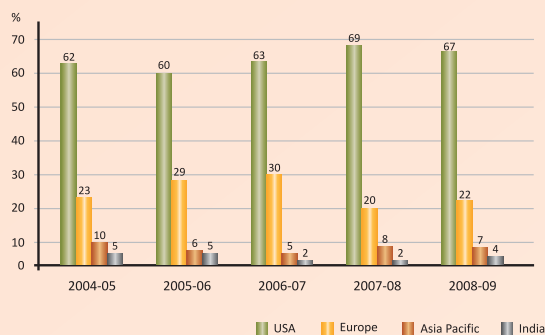
Return on Net Worth



Operating Profit as % of Operating Revenue



Break up of Revenue by Region



Share Price Movement





FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(Amount in 000')

Particulars	For the year ended March 31, 2009		For the year ended March 31, 2008	
	INR	US\$	INR	US\$
Revenue	5,980,671	117,915	4,858,338	121,946
Other Income	29,345	576	45,193	1,134
Total Revenue	6,010,015	118,492	4,903,531	123,080
EBITDA	327,501	6,457	696,986	17,495
Depreciation	209,621	4,131	197,621	4,960
Interest Expenses	48,186	950	56,917	1,429
Income Tax	40,802	805	56,814	1,426
Minority Interests	94,356	1,860	54,976	1,380
Other prior period items	134,299	2,648	(9,359)	(235)
Profit After Tax (PAT)	68,834	1,357	321,299	8,065
Basic EPS	(18.81)	(0.37)	5.18	0.13
Diluted EPS	(18.81)	(0.37)	5.14	0.13
Dividend (%)	40%	40%	40%	40%
PAT as % of total income	1.15%	1.15%	6.35%	6.35%
Share Price (NSE/BSE)				
- High	65.90	1.30	133.70	3.36
- Low	10.73	0.21	42.95	1.08
- Closing	14.51	0.29	52.15	1.31
US \$ Exchange Rate (Rs.)		50.72		39.84

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting their report on the business and operation of the Company for the year ended March 31, 2009.

1A. FINANCIAL RESULTS (Standalone)

The Company's operating performance (standalone) during the year ended March 31, 2009 as compared to the previous year is summarized below:

	(Rupees in Million)	
	Current Year	Previous Year
SALE AND OTHER INCOME	2,453.85	1,908.87
Profit before Interest, Depreciation and Tax	116.55	375.03
Less : Interest and Finance Charges	10.58	14.99
Less : Depreciation	96.58	93.20
PROFIT BEFORE TAXES	9.40	266.84
Less : Tax adjustment in respect of earlier years	-	(9.26)
Less : Provision for Taxes	3.48	43.39
NET PROFIT before Extra ordinary Items and Minority Interest	5.92	214.19
Add: Extra Ordinary Items & Prior Period Items	424.22	-
NET PROFIT	430.15	214.19
Surplus brought forward	1,257.98	1,124.28
Residual Dividend for previous year	(0.01)	(0.01)
Corporate Dividend Tax thereon	(0.00)	(0.00)
PROFIT AVAILABLE FOR APPROPRIATION	1,688.12	1,338.46
APPROPRIATIONS	-	-
Proposed Dividend	49.69	49.68
Dividend Tax	3.86	8.44
Transfer to Investment Reorganisation Reserve	538.51	-
Transfer to General Reserve	43.10	22.34
Surplus Carried Forward	1052.96	1,257.98
TOTAL	1,688.12	1,338.46

1B. FINANCIAL RESULTS: (Consolidated)

The Company's operating performance (consolidated) during the year ended March 31, 2009 as compared to the previous year is summarized below:

	(Rupees in Million)	
	Current Year	Previous Year
SALE AND OTHER INCOME	6,010.02	4,903.53
Profit before Interest, Depreciation and Tax	327.50	696.99
Less : Interest and Finance Charges	48.19	56.92
Less : Depreciation	209.62	197.62
PROFIT BEFORE TAXES	69.69	442.45
Less : Tax adjustment in respect of earlier years	-	(9.36)
Less : Provision for Taxes	40.80	56.81
NET PROFIT before Extra ordinary Items and Minority Interest	28.89	376.27
Add: Extra Ordinary Items & Prior Period Items	134.30	-
NET PROFIT before Minority Interest	163.19	376.27
Less: Minority Interest	(94.36)	(54.98)
NET PROFIT	68.84	321.30
Surplus brought forward	1,503.43	1,307.38
Residual Dividend for previous year	(0.01)	(0.01)
Corporate Dividend Tax thereon	(0.00)	(0.00)
PROFIT AVAILABLE FOR APPROPRIATION	1,572.26	1,628.66
APPROPRIATIONS	-	-
Proposed Dividend	49.69	49.68
Interim Dividend	28.94	-
Dividend Tax	3.86	9.49
Transfer to Investment Reorganisation Reserve	538.51	-
Transfer to General Reserve	73.03	46.84
Corporate Dividend Tax paid by Subsidiary	16.39	19.21
Surplus carried forward	861.84	1,503.43
TOTAL	1,572.26	1,628.66



DIRECTORS' REPORT TO THE MEMBERS (CONTD.)

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, the same as last year's dividend at the rate of Rs. 0.80 per Equity Shares of Rs. 2 each paid last year. While the payout is higher when compared to the stated policy of the Company to payout equivalent to 16 to 20% of consolidated profits, the Directors believe that in view of the future prospects of the Company and the fact the Company has significant cash accumulations, it was appropriate to maintain the dividend payable to shareholders.

3. BUSINESS REVIEW:

The Financial Year 2008-09 turned out to be a significant year that required Geometric to demonstrate its ability to adapt quickly to the changing economic scenario. The Company had to take some tough decisions to strike a balance in order to maintain the pillars of growth for the economic turnaround, while focusing on improving productivity and quality to serve the customers more efficiently than ever before.

The consolidated revenues for year ended FY09 grew from USD 121.56 Million to USD 129.47 Million, a muted growth of 6.5%. However, revenues in rupee terms grew from INR 485.83 Crore to INR 598.07 Crore, a growth of 23.1% on back of a favorable dollar to rupee exchange rate. For the same period, profit-after-tax reduced from INR 32.13 Crore to INR 6.88 Crore (after adjustment for extraordinary items). A significant contributor to this drop was forex loss in face of a reversing trend in dollar-rupee conversion, as well as larger hedging base in anticipation of growth at the start of the year, which did not materialize, resulting in lower operational margins. This has, however, been wrung out of the system in realignment with the economic outlook.

The three business segments of the Company - Software Services, Engineering Services and Products recorded the following trends in the year FY09:

- Software Services contribution to the topline increased from 55.9% in FY08 to 60.3%. In absolute terms, this business grew by 15% over the previous year.
- Engineering Services contribution to the topline decreased from 36.9% in FY08 to 33.0%. This was on account of significant changes on the engineering front at our automotive customers towards the end of the fiscal year.

- Products business contribution to the topline dropped from 7.2% in FY08 to 6.7%. Although, in absolute terms, the products business remained flat in comparison to the previous year.

The Company's performance in the four regions in which we operate can be summarized as follows:

- USA's share moved from 69.3% in FY08 to 67.1% in FY09.
- Europe's share of revenue increased from 20.2% in FY08 to 22.5% in FY09.
- APAC's share dropped marginally from 7.6% in FY08 to 6.7% in FY09.
- India's share rose from 2.8% in FY08 to 3.1% in FY09.

These numbers reflect the effect of the economic slowdown that has hit the US first and the hardest.

Trends in various vertical segments that the Company caters to were as follows:

- Software ISV & Partners: Segment share of business reduced from 51.1% in FY08 to 47.7% in FY09; remained flat in absolute terms.
- Automotive: Segment share of business increased from 30.3% in FY08 to 31.5% in FY09. In absolute terms, this segment recorded a growth of 11% over the previous year.
- Agricultural and Construction Equipment: Segment share of business increased from 10.2% in FY08 to 11.0% in FY09. In absolute terms, this segment recorded a growth of 15% over the previous year.
- Industrial and Marine Engineering: Segment share of business increased from 4.2% in FY08 to 4.6% in FY09. In absolute terms, this segment recorded a year-on-year growth of 17%.

During the year, the Company saw increasing traction in the Apparel and Oil & Gas industries, clearly indicating the impact of increased efforts to approach end-users directly, and focus on improving brand awareness.

4. INVESTMENTS

In view of the Global meltdown and financial scenario in U.S.A and its impact on Geometric's overseas investments, the Company revamped its USA business operations. The Company had scaled down its operations especially those catering to automotive sector. Further, it was intended to consolidate its investment made in USA by way of corporate restructuring, achieve synergies, reduce administrative and maintenance cost. As a part

DIRECTORS' REPORT TO THE MEMBERS (CONTD.)

of corporate restructuring, the Company had acquired 17.74% shareholding of Geometric Technologies, Inc. from Geometric Americas, Inc., USA for a total consideration of USD 740,907 and subsequently sold 100% shareholding in Geometric Americas, Inc. to Geometric Technologies, Inc. for a total consideration of USD 2.62 Million. Consequently, Geometric Technologies, Inc. has become 100% subsidiary of the Company and Geometric Americas, Inc., has become wholly owned subsidiary of Geometric Technologies, Inc.

With a view to consolidate Europe operations, the Company has recently made an investment of EURO 25,000 and acquired a Company in Germany, and further named it Geometric Europe GmbH. The Company has plans to move its operations in France & Romania to Geometric Europe GmbH.

5. FINANCIAL RE-STRUCTURING – SCHEME OF ARRANGEMENT:

With a view of financial restructuring, the Board of Directors of the Company at its meeting held on February 6, 2009 had approved creation of an "Investment Reorganization Reserve Account" of Rs. 1300 Million.

The object of creation of the said reserve account is to provide for diminution in the value of investments, impairment in the value of intangible assets (including goodwill) and offsetting realization of loss on sale of investments.

The said Scheme was approved by members of the Company at the Extraordinary General Meeting (Court Convened) of the Company held on May 21, 2009.

Pursuant to the petition filed by the Company, the Hon'ble High Court of Judicature at Bombay sanctioned the said scheme on August 12, 2009. The Appointed Date under the Scheme was February 6, 2009 and became effective on the date of filing the said Order with the Registrar of Companies, Maharashtra.

The scheme has been duly given effect to in the accounts and the Board of Directors of the Company at its meeting held on August 25, 2009 has approved the utilization of the said reserve to the extent of Rs. 1237.40 Million for the year ended March 31, 2009.

6. DIRECTORS:

Dr. Ravi Gopinath, Managing Director and Chief Executive Officer of the Company resigned from the office with effect from February 20, 2009.

Ms. Renuka Ramnath (nominee director appointed by ICICI Venture Advantage Fund V) resigned from the office of Director of the Company with effect from January 13, 2009.

Your Directors place on record their deep appreciation for the valuable contribution made by Dr. Ravi Gopinath and Ms. Renuka Ramnath during their tenure as Directors of the Company.

The Board of Directors of the Company appointed Mr. Ravishankar G. as an Additional Director of the Company to act as Managing Director and Chief Executive officer of the Company with effect from February 21, 2009. At an Extraordinary General Meeting of the Company held on April 6, 2009, the members of the Company have approved appointment of Mr. Ravishankar G. as the Managing Director and Chief Executive Officer of the Company for a period upto May 20, 2012.

Mr. Ajay Mehra was appointed as an Additional Director of the Company with effect from April 27, 2009 and pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 122 of the Articles of Association of the Company, holds office as a director up to the date of this Annual General Meeting but eligible to be appointed as a Director. In terms of Section 257 of the Companies Act, 1956 the Company has received a notice in writing from a member alongwith a requisite deposit of Rs. 500/- proposing the candidature of Mr. Ajay Mehra for his appointment as a Director.

In terms of Article 131 of the Articles of Association of the Company, Mr. J. N. Godrej and Dr. K. A. Palia retires by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

7. AUDITORS

M/s. Kalyaniwalla & Mistry, Chartered Accountants, Statutory Auditors of the Company, retire on the conclusion of the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

8. 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. The accounts have been duly reviewed by the Audit Committee.



DIRECTORS' REPORT TO THE MEMBERS (CONTD.)

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

10. SUBSIDIARIES:

The Company has the following wholly-owned Subsidiary Companies:

- a) Geometric Technologies, Inc.,
 - b) Geometric Asia Pacific Pte. Ltd., Singapore
- The Company has the following other subsidiary companies:
- a) 3D PLM Software Solutions Ltd., in which the Company holds 70% of the Paid up Capital.
 - b) Geometric Americas, Inc.
(A WOS of Geometric Technologies, Inc.)
 - c) Geometric S.R.L., Romania
(A WOS of Geometric Americas, Inc.)
 - d) Geometric SAS France
(A WOS of Geometric Americas, Inc.)
 - e) Geometric China Inc.
(A WOS of Geometric Asia Pacific Pte. Ltd., Singapore)

As of the date of this report, Geometric Europe, GmbH is a subsidiary of the Company.

As required under Section 212 of the Companies Act, 1956, the subsidiaries' statements of accounts for the year ended March 31, 2009 are attached to the Balance Sheet.

11. PARTICULARS OF EMPLOYEES:

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees), Rules, 1975, the names and other particulars of employees are to be set out in the Director's Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as set out therein, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to Company Secretary at the Registered Office and the same will be provided by the Company.

12. 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 "B" to this report.

13. CORPORATE GOVERNANCE:

As required under the Listing Agreement with Stock Exchange a report on Corporate Governance is given in the Annexure "C" to this report.

14. EMPLOYEE RELATIONS:

The Company continued to have cordial relations with its employees.

15. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the 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 judgements 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, 2009 and of the profit of the Company for the period 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; and
- (iv) that the annual accounts have been prepared on a going concern' basis.

16. ACKNOWLEDGEMENT:

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.

On behalf of the Board of Directors

J. N. Godrej
Chairman

Place: Mumbai
Date: August 25, 2009

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. During the year, the Company has taken some measures for optimal utilization of electricity by stringent control by re-scheduling of working hours of air-conditioning & lighting during the off working hours. The Company also initiated Energy Audit with a view to optimize the utilization and avoid loss of energy.

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 the Product Lifecycle Management (PLM) domain covering design, manufacturing, visualization and also inter-operability of multiple PLM systems.

A new product - DFMPPro-focusing on Design for Manufacturability (DFM) has been launched by the company. This product anticipates manufacturing problems right at the design stage so that re-work is minimised or eliminated thereby resulting in overall reduction in product development costs. DFMPPro has been integrated with two very popular CAD systems so that designers can frequently use it as part of their regular design process.

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

Improvement of existing products and introduction of new products. Customer

benefits including optimization of material usage and detection or elimination of problems likely to lead to manufacturing difficulties and higher manufacturing costs.

3. Future plan of action:

The Company continues to focus its efforts on innovations in products and 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	892,074,892	318,409,546
Total Foreign Exchange earned	2,245,194,683	1,662,646,530



ANNEXURE 'B' TO THE DIRECTORS' REPORT

Disclosure as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2009.

A. Summary of Status of ESOP's Granted

The position of the existing schemes is summarized as under -

Particulars	Scheme III ESOP Directors 2000 Scheme Numbers	Scheme V ESOP Scheme 2003 Numbers	Scheme VII Special ESOP Scheme 2006 Numbers
1. Details of the Meeting	Annual General Meetings (July 14, 2000 and June 29, 2004)	Annual General Meetings (June 18, 2003 and June 29, 2004)	Extraordinary General Meeting (November 21, 2006)
2. Approved	300,000	2,750,000	1,850,000
3. The Pricing Formula	National Stock Exchange (NSE) Market Price	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	260,000	1,942,825	340,000
5. Options Vested	260,000	1,895,920	34,000
6. Options Exercised	216,500	1,148,695	-
7. Options Forfeited/Surrendered	33,500	1,257,915	1,532,500
8. Options Unexercised	-	560,630	340,000
9. Options Lapsed	10,000	233,500	-
10. Total Number of Options in force	-	560,630	340,000
11. Variation in terms of ESOP	NA	NA	NA
12. Total number of shares arising as a result of exercise of options	216,500	1,148,695	-
13. Money realised by exercise of options (Rs. In Lakhs)	71.66	570.10	-

Notes :

- The No. of Options mentioned above have been adjusted for subdivision of the Company's shares from face value of Rs. 10 each into five shares of face value of Rs. 2 each on August 9, 2005 and on account of issue of bonus shares on August 6, 2004.
- Net of Forfeited/surrendered for Scheme 2003 and 2006.
- The surrendered options can be reissued as per the terms of Scheme 2003 and 2006.

ANNEXURE 'B' TO THE DIRECTORS' REPORT (CONTD.)

- B. Employee-wise details of options granted during the financial year 2008-09 to:**
No options were granted to any employee during the year.
- C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20** (1.83)
- D. Weighted average exercise price of Options granted during the year whose**
- (a) Exercise price equals market price NA
 - (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 NA
 - (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 2008-09 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 2008-09 would be Rs. 37,443,613. 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	
As Reported	5,919,949
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	(37,443,613)
Adjusted Pro Forma Net Income	(31,523,664)
Earning Per Share: Basic	
As Reported	(1.83)
Adjusted Pro Forma	(0.51)
Earning Per Share: Diluted	
As Reported	(1.83)
Adjusted Pro Forma	(0.51)

- 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	
1. Risk Free Interest Rate	No grants made during the year.
2. Expected Life	
3. Expected Volatility	
4. Dividend Yield	
5. Price of the underlying share in market at the time of the option grant.	



ANNEXURE 'C' TO THE DIRECTORS' REPORT

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, 2009, 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: August 25, 2009.

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 of Board

Geometric's Board has an optimum combination of Executive and Non-Executive Directors, to ensure independent functioning. During the Financial Year ended March 31, 2009, the Board comprised of seven Directors out of which six were Non Executive. Mr. Ajay Mehra has been appointed as Independent Director of the Company with effect from April 27, 2009, with his appointment the Composition of the Board is in conformity with

Clause 49 of the Listing Agreement entered with the stock exchanges. The Chairman of the Board is Non-Executive Director.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director. Necessary disclosures regarding committee positions in other public companies as of March 31, 2009 have been made by the Directors.

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

The names and categories of the Directors on the Board, their attendance at the Board Meeting held during the year and the number of Directorship and Committee Chairmanship/Membership held by them in other companies are given herein below.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name of the Director	Designation	Category	No. of Board Meetings Attended out of Seven Meetings held during the year	Attendance at the last AGM	No. of other Directorships held as at March 31, 2009*	Committee position as at March 31, 2009	
						Member#	Chairman
Mr. J. N. Godrej	Chairman	Non-Executive; Non-Independent	4	Present	8	2	None
Mr. Manu Parpia	Founder & Vice-Chairman	Promoter; Non-Executive; Non-Independent	7	Present	4	None	None
Mr. Ravishankar G. \$	Managing Director & CEO	Executive; Non-Independent	NA	NA	1	None	None
Dr. K. A. Palia	Director	Non-Executive; Non Independent,	7	Present	4	1	None
Ms. Anita Ramachandran	Director	Non-Executive; Independent	4 (and 1 on teleconference)	Absent	4	1	1
Mr. Milind Sarwate	Director	Non-Executive; Independent	7	Present	2	None	None
Dr. Richard Riff	Director	Non-Executive; Independent	4 (and 3 on teleconference)	Present	None	None	None
Dr. Ravi Gopinath **	Managing Director & CEO	Executive; Non-Independent,	5	Present	NA	NA	NA
Ms. Renuka Ramnath \$\$	Nominee Director	Non-Executive; Non-Independent	Nil	Absent	NA	NA	NA

* Directorships in Private and Foreign Companies are excluded.

** Dr. Ravi Gopinath has resigned from the Board of Directors w.e.f. February 20, 2009.

\$ Appointed w.e.f February 21, 2009.

\$\$ Ms. Ramnath has resigned from the Board of Directors w.e.f January 13, 2009.

Memberships/Chairmanship of only Audit Committee and Shareholders' Grievance Committee in Public Ltd. Companies have been considered.

b) Board Procedures

The Board meets at least once a quarter to review the quarterly performance and financial results. Board meetings are governed with structured agenda. All major agenda items, backed up by comprehensive background information, are generally sent well in advance of the date of the Board Meeting to the Directors to enable the Board to take informed decision. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. Chief Financial Officer is normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

The minutes of the meetings of the Board are individually circulated to all directors and confirmed at the subsequent Board Meeting. The finalized copies of the Minutes of the various Committees of the Board are also individually given to the members of the Board and thereafter tabled at the subsequent Board Meeting for the Board's view thereon.

The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held and the number of Directors present were as follows:



REPORT ON CORPORATE GOVERNANCE (CONTD.)

Sr. No.	Dates on which the Board Meeting were held	Total strength of the Board	No. of Directors present (Physical)	No. of Directors present (Tele-conference)
1	18/04/2008	8	6	NIL
2	30/07/2008	8	5	1
3	04/08/2008	8	6	NIL
4	20/10/2008	8	7	NIL
5	19/01/2009	7	7	NIL
6	06/02/2009	7	3	2
7	19/02/2009	7	4	1

Equity Shares of the Company held by Directors as on March 31, 2009

Name of Director	Number of Shares held	Percentage
Mr. J. N. Godrej	-	-
Mr. Manu Parpia	4715405	7.59
Mr. Ravishankar G.*	-	-
Dr. K. A. Palia	45000	0.07
Ms. Anita Ramachandran	45000	0.07
Mr. Milind Sarwate	-	-
Dr. Richard Riff	-	-

* Appointed as MD & CEO w.e.f. February 21, 2009

c) Re-appointment of Directors

Mr. J. N. Godrej and Dr. K. A. Palia are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment in the Annual General Meeting.

The brief resumes of the Directors proposed to be getting appointed/re-appointed are given in Notice of the Annual General Meeting.

3. Committees of the Board

Audit Committee:

- (a) The terms of reference of the Audit Committee as defined by the Board are as under:
 - i) 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.

- ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- iii) 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.
- iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- v) 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 judgement 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.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) 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.
- ix) Discussion with internal auditors on any significant findings and follow up there on.
- x) 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- xi) 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.
- xii) 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.
- xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

b) Powers of the Audit Committee:

The Board delegated the following powers to the Audit Committee:

- i) 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.
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.

As on March 31, 2009 the Audit Committee comprised of the following:

Name of the Member	Category
Mr. Milind Sarwate (Chairman)	Non-Executive, Independent
Dr. K.A. Palia	Non-Executive, Non-Independent
Dr. Richard Riff	Non-Executive, Independent
Ms. Anita Ramachandran	Non-Executive, Independent

The audit committee meetings are usually held at the Registered Office of the Company and are attended by Chief Financial Officer of the Company and the representatives of Statutory Auditors and Internal Auditors. The operation heads are also invited to the meetings as required. The Company Secretary acts as Secretary of the Committee.

The previous Annual General Meeting of the Company was held on August 4, 2008 and it was attended by Mr. Milind Sarwate, Chairman of the Audit Committee.

The dates on which the Audit Committee Meetings were held and the attendance of the members at the said meetings were as under:

Dates on which Audit Committee Meetings were held	Attendance record of the Members			
	Mr. Milind Sarwate	Dr. K. A. Palia	Mr. Richard Riff	Ms. Anita Ramachandran
17/04/2008	Attended	Attended	(Attended on teleconference)	Attended
30/07/2008	Attended	Attended	(Attended on teleconference)	Attended
20/10/2008	Attended	Attended	Attended	Attended
15/01/2009	Attended	Attended	(Attended on teleconference)	Attended

Compensation Committee

The terms of reference of the Compensation Committee, inter-alia consists of conducting periodic reviews of the remuneration payable to the Senior Management of the Company and also considering the Employee Stock Option Plans, which the Company may wish to offer to its employees and reports the same to the Board of Directors.

The Committee comprises of the following Members:

Name of the Member	Category
Mr. J. N. Godrej (Chairman)	Non-Executive, Non-Independent
Mr. Manu Parpia	Non-Executive, Non-Independent
Mr. Milind Sarwate	Non-Executive, Independent
Ms. Anita Ramachandran	Non-Executive, Independent

The dates on which the Compensation Committee Meetings were held and the attendance of the Members at the said meetings were as under:

Sr. No.	Attendance of the Members	Dates on which Compensation Committee Meetings were held	
		18/04/2008	19/02/2009
1.	Mr. J. N. Godrej	Attended	Attended
2.	Mr. Manu Parpia	Attended	Attended
3.	Mr. Milind Sarwate	Attended	Attended
4.	Ms. Anita Ramachandran	Attended	Absent

Remuneration Policy

i) Management Staff:

Remuneration of employees largely consists of basic remuneration, perquisites and other benefits and Employee Stock Option Plan as per SEBI Guidelines. The components of the total remuneration vary for



REPORT ON CORPORATE GOVERNANCE (CONTD.)

different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled, and individual performance of the employee.

ii) Non-Executive Directors:

Pursuant to the Members approval at the Annual General Meeting held on August 4, 2008, the Company has obtained approval from the Central Government for payment of commission upto 3% of the Net Profits of the Company restricted to 1.5% of Profit before Tax based on the audited Consolidated Financial Accounts of the Company per annum to Non-Executive Directors. Accordingly, the Company pays commission to all the Non-Executive Directors within the said limits. The total Commission payable for the year ended March 31, 2009, to the Non-Executive Directors, amounted to Rs. 929,000.

The details of commission payable for the financial year 2008-09 are summarized as below:

Name of Director	Commission (Rs.)
Mr. J. N. Godrej	132,714
Mr. Manu Parpia	265,430
Dr. K. A. Palia	132,714
Ms. Anita Ramachandran	132,714
Dr. Richard Riff	132,714
Mr. Milind Sarwate	132,714
Total	929,000

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

Details of Sitting Fees during the year to the Non-Executive Directors of the Company were as under:

Name of Director	Amount Paid/Payable (Rs.)
Mr. J. N. Godrej	100,000
Mr. Manu Parpia	160,000
Dr. K. A. Palia	220,000
Ms. Anita Ramachandran	170,000
Dr. Richard Riff	100,000
Mr. Milind Sarwate	240,000
Ms. Renuka Ramnath	Nil
Total	990,000

Under Directors ESOP Scheme 2000, the eligible Directors were granted stock options and the same were 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, 2009, were as given below:

Name of the Director	No. of Shares held	No. of Stock Options Held
Mr. J. N. Godrej	Nil	Nil
Mr. Manu Parpia	4,715,405	Nil
Dr. K. A. Palia	45,000	Nil
Ms. Anita Ramachandran	45,000	Nil
Mr. Milind Sarwate	Nil	Nil

iii) Executive Directors:

During the year, Dr. Ravi Gopinath has resigned as Managing Director and CEO effective from February 20, 2009 and Mr. Ravishankar G. has been appointed as Managing Director and CEO with effect from February 21, 2009.

Remuneration to Executive Directors –

The details of remuneration paid to Dr. Ravi Gopinath for the period from April 1, 2008 till February 20, 2009, are given below:

(Rupees)

Particulars	Amounts (Rs.)
Salary	5,104,489
Performance Bonus	-
Total	5,104,489

The details of remuneration paid to Mr. Ravishankar G. for the period from February 21, 2008 till March 31, 2009, are given below:

Particulars	Amounts(Rs)
Salary	644,466
Performance Bonus	-
Total	644,466

Under ESOP Scheme 2006, the Company granted 14,00,000 stock options to Dr. Ravi Gopinath. However, he has resigned from the Directorship of the Company, accordingly, all options granted to him were lapsed.

Under "ESOP Scheme 2009" the Company granted 2,50,000 stock options to Mr. Ravishankar G. and the same are exercisable by him according to the terms of the Scheme.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Shareholders/Investor's Grievance Committee

The Company has constituted Shareholder/Investors Grievances Committee of Directors to look into and investigate investor's complaints like transfer of shares, non-receipt of declared dividends etc. and take necessary steps for redressal thereof.

The Committee consists of the following members:

Name of the Member	Category
Mr. J. N. Godrej (Chairman)	Non-Executive, Non-Independent
Mr. Manu Parpia	Promoter, Non-Executive, Non-Independent
Dr. K. A. Palia	Non-Executive, Non-Independent
Mr. Ravi Gopinath*	Executive, Non-Independent
Mr. Ravishankar G. **	Executive, Non-Independent

* upto February 20, 2009.

** w.e.f. February 21, 2009.

The dates on which Meetings of Investors Grievances Committee were held and the attendance of the Members at the said meetings were as under:

Dates on which Investor Grievances Committee Meetings were held	Attendance record of the Members				
	Mr. J.N. Godrej	Mr. Manu Parpia	Dr. K. A. Palia	Dr. Ravi Gopinath	Mr. Ravishankar G.
18/04/2008	Attended	Attended	Attended	Attended	Not Applicable
30/07/2008	Attended	Attended	Attended	Attended	Not Applicable
20/10/2008	Attended	Attended	Attended	Attended	Not Applicable
19/01/2009	Attended	Attended	Attended	Attended	Not Applicable

The Company Secretary acts as Secretary of the Committee.

Share Transfers in Physical Mode:

In order to expedite the process of share transfers, the Directors delegated the power to the Company's Registrar & Share Transfer Agent (The RTA), Link Intime India Pvt. Ltd. (formerly known as "Intime Spectrum Registry Ltd.")

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

The details of Requests/Grievances/Complaints received and resolved during the year 2008-2009 were as follows:

Nature of Requests/ Grievances/ Complaints	Opening Balance as on April 1, 2008	Received during the year	Resolved during the year	Closing Balance as on March 31, 2009
Non-receipt of Demat Credit / Remat	0	1	1	0
Non-receipt of Reject DRF	0	1	1	0
Non-receipt of Share certificates	0	1	1	0
Non-receipt of D/W	0	14	14	0
Non-receipt of Annual Report	0	1	1	0
Others	0	3	3	0
Total	0	21	21	0



REPORT ON CORPORATE GOVERNANCE (CONTD.)

4. General Body Meetings

a) Details of location and time, of General Meetings & Special Resolution passed in last three years:

Year	AGM/EGM	Date	Time	Location	Special Resolutions passed
2007-2008	AGM	August 4, 2008	3.30 p.m.	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai – 400 079.	Alter certain clauses of the existing Articles of the Association.
2007-2008	EGM	October 8, 2007	3.00 p.m.	Plant 6, Pirojshanagar, L.B.S Marg, Vikhroli (West), Mumbai – 400 079.	<ol style="list-style-type: none"> 1. Change of the name of the Company from Geometric Software Solutions Company Limited to Geometric Limited. 2. Substitution of the new name i.e. Geometric Limited wherever it appears in Articles of Association of the Company.
2006-2007	AGM	June 29, 2007	3.30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.	Nil
2006-2007	EGM	November 21, 2006	4.00 p.m.	Plant 6, Pirojshanagar, L.B.S Marg, Vikhroli (West), Mumbai – 400 079.	<ol style="list-style-type: none"> 1. 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. 2. Appointment of Mr. Manu Parpia as “Vice Chairman and Executive Director” for the period from October 4, 2006 to March 31, 2008. 3. Approval of issue of 1,850,000 stock options under Special ESOP Scheme 2006. 4. Extending the benefits of Special ESOP Scheme 2006 to the senior employees and Directors of subsidiaries of the Company. 5. Approval of grant of 1,400,000 stock options to Dr. Ravi Gopinath, Managing Director and Chief Executive Officer under Special ESOP Scheme 2006. 6. Issue of 350,000 warrants convertible into equivalent number of equity shares to Mr. Manu Parpia on preferential issue basis.
2006-2007	EGM	May 17, 2006	4.00 p.m.	Plant 6, Pirojshanagar, L.B.S Marg, Vikhroli (West), Mumbai - 400 079.	<ol style="list-style-type: none"> 1. Alteration of Articles of the Company. 2. Preferential issue of 3,867,075 Equity shares to ICICI Venture Funds Management Company Limited

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Year	AGM/EGM	Date	Time	Location	Special Resolutions passed
2005-2006	AGM	June 27, 2006	4.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.	<ol style="list-style-type: none"> 1. 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. 2. Re-appointment of Mr. Manu Parpia as the Managing Director and Chief Executive Officer of the Company for a period of one year w.e.f. April 1, 2006.

AGM = Annual General Meeting, EGM = ExtraOrdinary General Meeting

These resolutions were put to vote by show of hands and were passed with the requisite majority.

b) Postal Ballot

During the year under review no resolution was passed through postal ballot.

5. Disclosures

1. The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" issued by the ICAI are set out in the Annual Report separately. However, these transactions are not likely to have any conflict with the Company's interest.
2. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years.
3. The Company has complied with all the mandatory requirements of Clause 49 pertaining to Corporate Governance of the Listing agreement with the Stock Exchanges. Other than the constitution of the Compensation Committee and Whistle Blower Policy, the Company has not complied with any of the Non-Mandatory requirement of Clause 49 of the Listing Agreement.
4. The Code of Conduct for Prevention of Insider Trading has also been amended during the year in line with the amended Securities and Exchange Board of India (SEBI) Regulations in this regard. All the Directors on the Board as well as senior level employees/officers of the Company who could be

privy to unpublished price sensitive information of the Company are governed by this code.

5. The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is hosted on the website of the Company, and a declaration on affirmation of compliance of the Code annexed herewith and forms part of this report.
6. The Notice convening the Annual General Meeting of the Company has necessary disclosures relating to the appointment/re-appointment of Directors.
7. Annual Report has a detailed chapter on Management Discussion and Analysis.
8. The Company has paid the Listing fees of the Stock Exchanges, where the shares of the Company are listed.

6. Means of Communication

The Un-audited/Audited quarterly/half yearly financial statements are announced within one month of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the stock exchange have been intimated, these results are given by way of a press release to various news agencies/analyst and published within 48 hours in one National English newspaper (Free Press Journal, Business Standard) and one Marathi newspaper (Nav Shakti).



REPORT ON CORPORATE GOVERNANCE (CONTD.)

The quarterly/half yearly and the annual results as well as the press releases of the Company are put on the Company's website www.geometricglobal.com. The website also displays official news releases.

The Company also informs by way of intimation to the stock exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

7. General Information for Shareholders

1. Annual General Meeting:

Date and Time : Friday, September 25, 2009
at 9.30 a.m.

Venue : Plant 6, Pirojshanagar, Vikhroli
(W), Mumbai 400 079.

2. The financial year covers the period from April 1, to March 31.

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.

3. Name and Contact details of the Compliance Officer:

Mr. Vijay Gangrade,

Company Secretary and Compliance Officer,

Tel No. 67056500

Fax No. 67056891,

E-mail: investor-relations@geometricglobal.com

4. Book Closure:

The Registrar of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 19, 2009 to, Friday, September 25, 2009 (both days inclusive).

5. Dividend

The Board has recommended Dividend on equity shares.

6. Listing on Stock Exchanges:

The Company's securities are listed on the following Stock Exchanges.

Equity Shares
Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051

Stock/Scrip Code & ISIN/Common Code Number

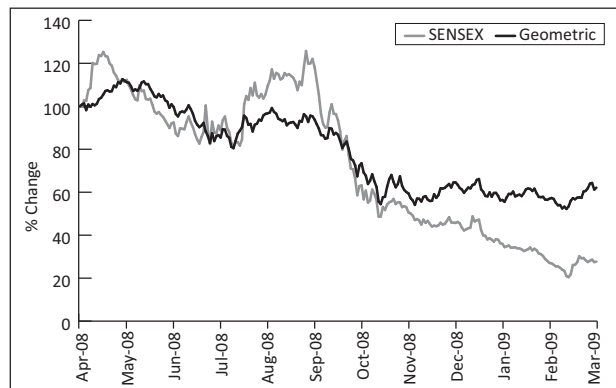
Bombay Stock Exchange Limited (BSE)	532312
National Stock Exchange of India Limited (NSE)	GEOMETRIC
ISIN Number with NSDL & CDSL	INE797A01021

7. Market Price Data:

High, lows and volume of Company's shares for 2008-2009 at BSE & NSE

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
April 2008	68.90	51.50	12067	70.00	52.5	3098753
May	61.00	49.00	15696	61.00	48.3	4181066
June	54.45	42.75	12170	54.30	42.00	1783800
July	61.00	42.00	24879	61.00	37.70	4586357
August	64.65	53.00	44808	64.90	53.70	7229035
September	69.70	39.00	28268	69.70	37.00	3757129
October	46.40	24.15	8672	46.50	21.00	1132567
November	32.40	23.25	4403	32.50	22.00	476997
December	28.70	21.75	3936	26.60	22.00	729067
January, 2009	26.40	16.00	7703	26.20	17.35	1021882
February	20.45	13.65	13497	20.60	13.80	4093267
March	16.44	10.50	10987	16.45	10.40	2953725

8. Performance in comparison to broad based indices such as BSE INDEX



9. Registrar and Transfer Agents Investor Service

Link Intime India Pvt. Ltd.

(Formerly known as "Intime Spectrum Registry Ltd.")

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup, Mumbai - 400 078.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

10. Share Transfer System

99.02 % of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Link Intime at the above mentioned address. Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt if the documents are complete in all respects.

11. Distribution of Share holding as on March 31, 2009

Shareholding Of Shares	No. of Share-holders	% of Share-holders	Shares Amount Total	% of Total
1 - 5000	29614	96.73	15964994	12.85
5001 - 10000	429	1.40	3233520	2.60
10001 - 20000	257	0.84	3794810	3.05
20001 - 30000	91	0.30	2274178	1.83
30001 - 40000	54	0.18	1900934	1.53
40001 - 50000	44	0.14	2016468	1.62
50001 - 100000	66	0.22	4863022	3.91
100001 - 99,999,999	59	0.19	90180774	72.59
Total	30614	100	124228700	100

12. Categories of Shareowners as of March 31, 2009

CATEGORY	SHARES	PERCENT
Promoters	22485544	36.20
Other Bodies Corporate	2498666	4.02
Directors (Excluding Promoter Director)	90000	*0.00
Foreign Inst. Investor	7384289	11.89
Life Insurance Corp'n of India	1464882	2.36
Mutual Fund	1260896	2.03
Nationalised Banks	400	*0.00
Non-Nationalised Banks	2040	*0.00
Non-Resident Indians	507021	0.82
Non-Resident (Non-Repatriable)	278199	0.45
Public	21607635	34.79

CATEGORY	SHARES	PERCENT
Trusts	3873095	6.24
GIC & Its Subsidiaries	69026	0.11
Clearing Member	592657	0.95
TOTAL	62114350	100.00

*% less than 0.01 %

13. Dematerialization of shares and Liquidity

The equity shares of the Company are compulsorily traded in dematerialised form.

As on March 31, 2009, 99.02% Equity shares have been dematerialized. The shares have been admitted for dematerialisation with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders have option to dematerialise their shares with either of the depositories.

14. Outstanding GDRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity Outstanding GDRs.

The Company has not issued any GDRs/ADRs and no Outstanding GDRs/Warrants or any Convertible Instruments, conversion as on March 31, 2009 which may likely impact on equity share capital of the Company.

The Company has issued 350,000 convertible warrants to Mr. Manu Parpia, one of the promoters and Founder and Vice Chairman of the Company on preferential issue basis on December 1, 2006. As per the SEBI guidelines the person should exercise the same within 18 months of the issue of the shares or the amount paid at the time of allotment will be forfeited.

Hence, Rs. 41,30,000 paid at the time of allotment, amount equivalent to 10% of the price fixed in terms of Clause 13.1.1.1 is forfeited, as 350,000 options are not exercised and the term expires on June 1, 2008. The warrants issued are no longer in existence.



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15. Location of offices of Company and Address of correspondence (including subsidiaries)

(Registered Office) Mumbai	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai - 400 079, India.
Pune	Plot No. 15/B, Pune Infotech Park, M.I.D.C. Hinjewadi, Taluka Mulshi, Pune 411 057, India. Special Economic Zone, Block-02, Wing-A, Embassy Techzone, Rajiv Gandhi Infotech Park, MIDC, Phase II, Hinjewadi, Pune 411057, India. STPI Embassy TechZone, Plot No. 3, Block No. 11, Nile Bldg, Rajiv Gandhi Infotech Park, MIDC, Hinjewadi, Phase-II, Village - Marunji, Pune 411 057, India.
Bengaluru (Unit III)	RMZ NXT, Campus 1A, Unit 101 & 102, First Floor, Whitefield Road, Sonnehalli Village, Bengaluru - 560 066, India.
Chennai	Dr. VSI Estate I-9, Sintron Square, Thiruvannamiyur Chennai 600 041 India
Hyderabad	Q-City, 5th Floor, Block A, Survey No. 109, 110 & 111/2, Gachibowli, Nanakramguda Village, Serilingampally Mandal, Hyderabad - 5000 032, India.
Subsidiaries DIRECT SUBSIDIARIES	
3D PLM Software Solutions Limited	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai - 400 079.
Geometric Asia Pacific Pte. Ltd.	78 Shenton Way #26-02A, Singapore - 079120
Geometric Technologies, Inc.	16121 N 78# Street, Suit Number 101, Scottsdale, AZ 85260-1790 USA .
Geometric Europe GmbH	Friedrichstrasse, 15 70174 Stuttgart, Germany

OTHER SUBSIDIARIES

Geometric China, Inc.	7G, 855 South Pudong Rd., Pudong New Area, Shanghai, PRC.
Geometric Americas, Inc.	633 South Boulevard, Rochester Hills, MI 48307 USA
Geometric SAS (FRANCE)	Parc Technologique METROTECH Immeuble 6 42650 Saint Jean Bonnefonds France
Geometric SRL (ROMANIA)	Parcul Mic 19-21, Brasov, 500386, ROMANIA

16. Address for 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:

Link Intime India Pvt. Ltd.

(Formerly known as "Intime Spectrum Registry Ltd.")

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup, Mumbai - 400 078.

Tel.: 022 – 25963838

Fax: 022 – 25946969

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

Shareholders who hold shares in dematerialised form should correspond with the depository participant with whom they have opened their Demat Account(s).

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Ravishankar G., Managing Director & CEO of Geometric Limited, do hereby declare and confirm that all the Board Members and Senior Managerial Personnel have affirmed to the Board of Directors the compliance of the Code of Conduct as laid down by the Board.

RAVISHANKAR G.

MANAGING DIRECTOR & CEO

Place : Mumbai

Date: August 25, 2009

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). Geometric provides services, solutions and technologies which increase the effectiveness and efficiency of design and manufacturing business processes for firms across the globe.

In the fiscal FY 09, Geometric's primary markets have been significantly impacted by global recessionary trends. This has resulted in decrease in demand and volumes, for a wide variety of products. In particular, the US automobile industry dominated by the "Big Three" (Ford, Chrysler and GM) has faced financial crises caused by high unit costs, high costs of energy and a lack of demand caused by drop in expendable income and available credit. While automobiles form about one-fifth of the total manufacturing volumes in the USA, automobile production in USA and Canada declined by 19.3% in 2008 compared to 2007. In Europe as well there were significant declines in production, particularly in the larger markets of Western Europe.

Geometric has a high dependence on the automobile market, coupled with a high geographical dependence upon the US economy (67% of the total revenue of the Company is sourced from USA with 31.5% from the global automobile sector). As manufacturers grapple with the slump in demand, Geometric has been faced with pressures on prices and volumes from existing customers. Furthermore, new product development programs have been postponed or delayed. This has reduced the opportunities for Geometric to acquire new customers.

The native drivers for IT outsourcing, particularly focused on Engineering Services, continue to be

strong and we do not foresee significant threats to the outsourcing markets. The current recession will stimulate changes in business processes and changes in product development infrastructure, which will increase the opportunity for Engineering outsourcing, both at the infrastructure or IT level, and at the level of business process execution. These changes will be driven by the need to reduce costs by optimization of manufacturing process costs, competitive sourcing of components, and increasing integration between various enterprise level systems. There will also be emphasis on reducing the energy consumption of products, and a focus on the environmental impact of managing products through their life cycle. All of these trends will favour the deepening and widening of opportunities available for Geometric.

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. The market of PLM (Product Lifecycle Management) systems which underlie IT infrastructure in the area of engineering are estimated to grow at 10% CAGR. This growth is highly correlated with opportunities for Geometric. First, Geometric is likely to acquire direct opportunities in building this growing infrastructure. Also, higher levels of IT infrastructure enable higher levels of outsourcing of engineering business processes, which again Geometric is well positioned to consume.
2. Geometric has traditionally been a supplier in the discrete manufacturing segment. We see trends of higher leverage of enterprise engineering systems in the process manufacturing segment. Over the last few years, we have created entry points into such industries through the enterprise manufacturing segment. With this we are positioned to expand our market to the adjacent process industry market.
3. Geometric's a true Global Engineering service delivery model, combining deep domain expertise in proximity locations coupled with process and task level scalability in near-shore and offshore locations, product manufacturers look to increase their competitiveness in the post-recession economic scenario. Geometric's positioning will enable new and broader opportunities to the market.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (CONTD.)

4. We see opportunities arising because of trends which will lead to deeper integration of ERP systems with engineering systems. This will provide a broader frame of opportunities for Geometric in extending its capabilities to integration processes related to business analytics, cost management, supply management, logistics and enterprise asset management.

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 building sales opportunities in diverse regions, diversifying the currency in which it invoices its customers and by taking forward covers where appropriate.
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 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. Continued recession in the manufacturing market will lead to unplanned pressure on margins and topline. As reported earlier, 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. Over the last fiscal, we have achieved entry level position in some of these markets and we will continue to invest in such adjacency-based diversification.
4. As the recession will impact investment made in IT infrastructure, Geometric's direct revenue from engineering tools (part of the Products business)

and indirect revenue streams from outsourced product development (OPD) business, may be impacted. Geometric attempts to mitigate these risks by offering larger, cost-optimized solutions to its OPD customers. The Products business has set up financing mechanisms to support customers with cash flow issues.

C. Segment-wise Reporting

Geometric has organized its business into three distinct segments:

- (1) Software Solutions
 - (2) Engineering Solutions and Services.
 - (3) Products
- 1) Software Solutions and Services include development, deployment and support of bespoke and packaged applications that digitize the extended PLM environment.
 - a. The driver to address the PLM market directly, reported last year, has improved Geometric's position in the overall package implementation and ADM (application development and maintenance) markets. During the last fiscal, the business had made entries into newer verticals, out of which it has gained traction in some verticals such as Oil & Gas and Apparel, effectively diversifying the industry base of the business's markets. It has, also, successfully closed ADM deals with large industrial customers, which has been an area of strategic focus. The PLM business has built up the capability to bid for large deals, and has been involved in several such RFP's. We believe that this will lead to an increase in the average deal size for the business and deepen its competitive position in the market.
 - b. Software Product Engineering (SPE) offers architecture, development, industrialization and support services to software product companies. This business has traditionally depended upon the engineering design software OEM market. During FY 09, the business focused on entering adjacent markets such as metrology, medical imaging

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORTS (CONTD.)

and machine tools, based on Geometric's overall positioning as a technology company in the geometry and visualization spaces. It has successfully entered into partnerships with product OEM's in these new verticals and continues to consolidate business in these areas. It has provided the leverage required to acquire customers in these new markets. This derisks the dependence of traditional markets for this business.

- c. The JV with Dassault Systèmes, 3D PLM has delivered robust performance and continues to be a strong driver of growth for the Company.
- 2) Engineering Solutions and Services support the engineering and manufacturing processes of industrial customers through a global delivery model, offering high-end product engineering and manufacturing engineering expertise. This business has been impacted by recession in the discrete manufacturing market, while it's sharp dependence on the Detroit centered automobile market has led to topline uncertainty. The Company has taken sharp steps to manage both variable and fixed costs for this business in line with demand uncertainty and continues to look for market and supply diversification opportunities in order to derisk it's markets. The India located delivery centers have demonstrated sharp increases in productivity and margins, and going forward, this will also provide momentum for growth in this business.
- 3) Products include interoperability solutions that integrate engineering and manufacturing applications within and across PLM and other enterprise systems; and productivity point solutions for engineering and manufacturing. On one hand, the Products business is seen as a significant differentiator for the services business, while on the other it has been able to leverage service business engagements to gain market access and improvement opportunities for its products. As part of the enterprise product segment, Geometric's interoperability framework now forms part of consolidated solutions to manage disparate enterprise PLM systems in business ecosystems. Amongst point solutions, the business's new product DFMPPro has seen traction in the market as a tool to

improve design-manufacturing integration, and we expect to build the revenue base for this product in the years to come.

D. Outlook

The company has taken stock of the effect of industrial recession on demand from the engineering design and manufacturing markets, and has introduced steps to maintain margins.

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, 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 and repayment capability of customers in current market scenario. The Company may, from time to time, make additional written and oral forward looking statements and 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



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (CONTD.)

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 10,790 equity shares of Rs. 2 each have been issued under various Employee Stock Option Plans. Consequently, the issued, subscribed and outstanding shares increased to 62,114,350 from 62,103,560 and share capital increased to Rs. 124,228,700 from Rs. 124,207,120.

2. Reserves and Surplus

A summary of Reserves and Surplus is provided in the table below:

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Securities Premium Account	4,612	641,148	4,612	641,148
Cash Flow Hedges Reserve	(105,291)	(17,793)	(166,293)	(20,953)
General Reserve	43,100	120,340	149,255	196,569
Foreign Currency Translation Reserve	-	-	1,678	348
Investment Restructuring Reserve	756,067	-	62,929	-
Profit and Loss Account – Surplus	1,052,960	1,257,985	861,845	1,503,433
Total	1,751,448	2,001,680	914,026	2,320,545

During the year, we have done restructuring of our investments in subsidiaries. Accordingly, Securities Premium Account and General Reserves were utilized to that extent.

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, 2009, we booked a loss of Rs. 105,291,062 (Unconsolidated) (PY Rs. 17,793,000) and Rs. 166,293,163 (Consolidated) (PY Rs. 20,953,292) under Shareholder's Funds in the Cash Flow Hedging Reserve as fair value of derivative instruments was lower than market value.

3. Secured Loans

As on March 31, 2009, total Loan funds outstanding are Rs. 1,168,790,048 (Consolidated) as compared to Rs. 794,332,145 (Consolidated) in Previous Year.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORTS (CONTD.)

As of March 31, 2009, loans outstanding are as below:

(Amount in '000 Rupees)

	Geometric Limited	3D PLM	Geometric Americas	Geometric Engineering
Loan from Citi Bank	40,576	352,160	284,032	-
Loan from ICICI Bank	-	-	-	410,870
Loan from HSBC Bank	81,152	-	-	-

During the year, fresh borrowings added were 352.16 Mn in 3D PLM to facilitate the acquisition of Agra Fort Facility.

4. Deferred Tax Liability

We recorded deferred tax liability of Rs. 19,211,000 (Unconsolidated) and Rs. 54,077,362 (Consolidated) as of March 31, 2009 (Rs. 41,728,260 (Unconsolidated) and Rs. 40,574,530 (Consolidated) as of March 31, 2008). 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	15,729	50,367	(68.77)	43,116	50,367	(14.40)
Buildings	113,704	334,988	(66.06)	228,672	335,318	(31.80)
Leasehold Improvement	-	-	-	4,684	4,928	(4.95)
Computers	122,471	120,461	1.67	657,126	546,016	20.35
Electrical Installations	91,829	205,970	(55.42)	152,342	214,988	(29.14)
Office Equip. and EPABX	43,440	45,788	(5.13)	74,965	70,876	5.77
Furniture and Fixtures	128,730	216,704	(40.60)	215,942	254,858	(51.27)
Vehicles	3,903	5,732	(31.91)	3,903	5,732	(31.91)
Computer Software	196,417	152,498	28.80	316,220	263,499	20.01
Goodwill	-	-	-	74,458	1,300,943	(94.28)
Gross Block	716,223	1,132,510	(36.76)	1,771,428	3,047,525	(41.87)
Less: Accumulated Dep.	422,446	436,780	(3.28)	939,623	852,932	10.16
Net Block	293,777	695,730	(57.77)	831,805	2,194,593	(62.10)
Add: Capital WIP	16,456	1,056	1,458.33	60,839	1,056	5,661.27
Net Fixed Assets	310,233	696,786	(55.48)	892,644	2,195,649	(59.34)

a. Capital expenditure

We incurred an amount of Rs. 294,301,505 (Consolidated) (excl. Goodwill) (Rs. 197,836,164 in the previous year) as capital expenditure comprising of additions to gross block of Rs. 233,462,574 and Rs. 60,838,931 on account of increase in capital work in progress.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (CONTD.)

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	85,491	86,310	233,463	196,781
Out of which, Investment in Technology Assets	49,236	58,617	177,102	163,044

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 reduced our owned facilities as we sold Pyramid building situated at Pune to third party. Apart from that, we sold Agra Fort to our Joint Venture with Dassault, 3D PLM .

6. Investments

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Investments in Mutual Funds	130,005	50,036	200,007	148,036
Investments in Subsidiaries	125,093	724,188	-	-
Other Trade Investments	-	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, as a part of restructuring process, we have transferred our shareholding in Geometric Americas, Inc. to Geometric Technologies, Inc. thus, making a lean structure by introducing a concept of regional subsidiary.

Other trade investments represent investment made in Powerway Inc. However, as the company filed for bankruptcy under chapter 11, we have created provision for the diminution in value of investment with full investment amount.

7. Sundry Debtors

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Sundry Debtors	314,311	231,785	1,079,339	787,358
Days Sales Outstanding (DSO)	50	49	66	59
Debtors as a % of Revenue	14%	13%	18%	16%

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

Provisions are generally made for all debtors outstanding for more than 180 days as also for others, depending on the management's perception of the risk. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle. For the year ended on March 31, 2009, Debtor's amounting Rs. 38,554,691 (Unconsolidated) and Rs. 100,445,357 (Consolidated), are provided. The provision has been made for debtors outstanding for more than 180 days. Apart from that, it also includes debtors which we foresee unrealizable.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (CONTD.)

8. Cash & Bank Balances

The bank balances in India include both Rupee accounts and foreign currency accounts. The bank balances in overseas current accounts are maintained to meet the expenditure of the overseas branches and project-related expenditure overseas.

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Cash Balances	-	-	49	59
Current Accounts	25,688	33,700	59,981	60,196
Deposit Accounts	324,427	3,427	339,624	9,457
Foreign Currency Accounts	10,974	35,604	179,764	162,159
Unclaimed Dividend Account	1,921	1,481	7,502	2,541
Investment in liquid mutual funds reported under Investments	130,005	50,036	200,007	148,036
Total Cash & Cash Equivalent	493,015	124,249	786,927	382,390
Cash & Cash Equivalent/Assets	24.45%	5.35%	32.54%	11.35%
Cash & Cash Equivalent/Revenues	20.09%	6.51%	13.09%	7.80%

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. 87,928,093 to Geometric Americas, Inc. (A wholly owned subsidiary of Geometric Technologies, Inc.). Total Loans granted to Geometric Americas, Inc. stands at Rs. 336,230,893.

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. Loss on Cash Flow Hedges represents the amount of loss on mark-to-market valuation of the forward covers taken by the Company.

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.



MANAGEMENT'S DISCUSSION AND ANALYSIS REPORTS (CONTD.)

(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 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	
	Rs.	%	Rs.	%
Projects	5,563,556	93	4,530,916	93
Products	417,115	7	327,421	7
Total	5,980,671	100	4,858,337	100

b) Geographical Segmentation of Total Sales (Consolidated)

(Amount in '000 Rupee)

Particulars	Current Year		Previous Year	
	Rs.	%	Rs.	%
USA	4,013,030	67	3,368,909	69
Europe	1,345,651	22	981,951	20
Asia Pacific	400,705	7	370,549	8
India	221,285	4	136,928	2
Total	5,980,671	100	4,858,337	100

2. Expenditure

2.1 Operating and Other Expenses (Unconsolidated)

(Amount in '000 Rupees)

Particulars	Current Year	% to Total Income	Previous Year	% to Total Income	Growth %
Personnel Expenses	1,309,550	53	1,121,864	59	17
Travelling and Conveyance Expenses	124,663	5	111,468	6	12
Software Tools and Packages	23,831	1	39,104	2	(39)
Royalty	61,897	3	27,140	1	128
Legal and Professional Charges	72,029	3	38,095	2	89
Rent and Service Charges	136,315	6	76,421	4	78
Repairs and Maintenance	32,309	1	27,534	1	17
Electricity Expenses	44,007	2	32,639	2	35
Computer Rental Charges	91,982	4	69,596	4	32
Sales and Marketing Expenses	20,589	1	32,718	2	(37)
Other Expenses	119,119	5	60,682	3	96
Total Operating and Other Expenses	2,036,291	83	1,637,262	86	24
Total Income	2,453,852		1,908,871		

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT (CONTD.)

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	3,834,535	64	3,374,884	69	14
Travelling and Conveyance Expenses	229,458	4	213,342	4	8
Software Tools and Packages	63,551	1	61,918	1	3
Royalty	90,515	2	66,603	1	36
Legal and Professional Charges	115,106	2	90,439	2	27
Rent and Service Charges	297,335	5	191,178	4	56
Repairs and Maintenance	50,656	1	78,252	2	(35)
Electricity Expenses	80,393	1	53,217	1	51
Insurance	16,074	0	13,717	0	17
Communication Expenses	76,489	1	46,208	1	66
Other Expenses	344,821	6	174,999	4	104
Total Operating and Other Expenses	5,198,933	87	4,364,757	89	19
Total Income	6,010,015		4,903,531		

2.3 Depreciation

(Amount in '000 Rupees)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation	96,582	93,197	209,620	197,621
% to Gross Block of Assets	13%	8%	12%	6%
% to Sales: Software Packages & Services	4%	5%	4%	4%

3. Operating Profit

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Operating Profit (Profit Before Tax Less Non-Operating Income/(Loss))	(140,638)	81,636	40,349	397,255
Sales: Software Packages & Services	2,303,818	1,723,670	5,980,671	4,858,337
Operating Margin	(6)%	5%	1%	8%

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 behavioural training programmes were organized during the year.

Number of people employed (Consolidated):

Particulars	March 31, 2009	March 31, 2008
Production	2,626	2637
Support	310	331
Total	2,936	2968



REPORT OF THE AUDITORS TO THE MEMBERS OF GEOMETRIC LIMITED

1. We have audited the attached Balance Sheet of GEOMETRIC LIMITED as at March 31, 2009, 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 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.
4. Without qualifying our report, attention is drawn to Note 2 Schedule 14: Notes to Accounts. The Hon. High Court of Judicature at Mumbai has approved a Scheme of Arrangement whereby an Investment Reorganisation Reserve has been created by appropriating Rs. 641,148,118 from the Securities Premium Account, Rs. 120,339,513 from General Reserve and Rs. 538,512,369 from the Profit and Loss Account. In accordance with the Scheme of Arrangement the Investment Re-organisation Reserve has been utilized to the extent of Rs. 543,932,851 for writing off the loss on sale of investments and providing for impairment of investments and software instead of charging the same to the Profit and Loss Account. Had this amount been charged to the Profit and Loss Account, the profit after tax for the year would have been converted in to a loss of Rs. 113,788,834.
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, 2009;
 - 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009, 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: August 25, 2009.

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:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) 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.
- 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. Loans and advances:

- a) The Company has granted unsecured loans to a party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs. 336,230,893 and balance outstanding as at the year end was Rs. 336,230,893.
- b) 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.
- c) 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.
- d) 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.
- e) 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:

- a) 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.
- b) 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

- a) 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,



REPORT OF THE AUDITORS (CONTD..)

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.

- b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1956	Income-tax	42,715,518	Financial Years 2001-02, 2002-03 and 2004-05	Add. Commissioner of Income Tax
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	22,92,825	Financial Years 2001-02 and 2002-03	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.
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: August 25, 2009.

BALANCE SHEET AS AT MARCH 31, 2009

			(Amount in Rupees)	
	SCHEDULE		Current Year	Previous Year
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	124,228,700		124,207,120
b) Share Application Money		-		446,466
c) Reserves And Surplus	2	1,751,445,836		2,001,679,321
			1,875,674,536	2,126,332,907
2. LOAN FUNDS				
a) Secured Loans	3		121,728,000	156,372,000
3. DEFERRED TAX LIABILITY (NET)	4		19,211,000	41,728,260
TOTAL			2,016,613,536	2,324,433,167

APPLICATION OF FUNDS:

4. FIXED ASSETS	5			
a) Gross Block		716,223,617		1,132,509,878
b) Less: Depreciation		422,446,957		436,779,912
c) Net Block		293,776,660		695,729,966
d) Capital Work-in-Progress		16,455,617		1,055,593
			310,232,277	696,785,559
5. INVESTMENTS	6		255,097,567	805,183,143
6. CURRENT ASSETS, LOANS AND ADVANCES	7			
a) Sundry Debtors		314,311,477		231,785,477
b) Cash and Bank Balances		363,009,755		74,212,367
c) Other Current Assets		693,158,476		321,269,180
d) Loans And Advances		653,031,010		517,759,739
		2,023,510,718		1,145,026,763
7. Less: CURRENT LIABILITIES AND PROVISIONS	8			
a) Current Liabilities		514,089,087		254,754,240
b) Provisions		58,137,939		67,808,058
		572,227,026		322,562,298
8. NET CURRENT ASSETS			1,451,283,692	822,464,465
TOTAL			2,016,613,536	2,324,433,167

NOTES TO ACCOUNTS

14

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

As per our Report attached

Signatures to the Balance Sheet and Schedules 1 to 8 and 14.

For and on behalf of

For and on behalf of the Board

KALYANIWALLA & MISTRY

CHARTERED ACCOUNTANTS

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

M. Sarwate
DIRECTOR

Darius Z. Fraser
PARTNER

Priya Jadhav
VICE PRESIDENT - FINANCE

Vijay Gangrade
COMPANY SECRETARY & COMPLIANCE OFFICER

Mumbai : August 25, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

		(Amount in Rupees)	
	SCHEDULE	Current Year	Previous Year
INCOME:			
1. Sales - Software Packages & Services		2,303,817,520	1,723,669,641
2. Other Income	9	150,034,273	185,201,680
		2,453,851,793	1,908,871,321
EXPENDITURE:			
3. Operating and Other Expenses	10	2,036,289,942	1,637,261,703
4. Loss/(Gain) on Exchange Difference (Net)		301,007,231	(103,416,034)
5. Interest And Finance Charges	11	10,576,215	14,990,619
6. Depreciation		96,581,776	93,196,972
		2,444,455,164	1,642,033,260
PROFIT BEFORE TAX, EXTRA-ORDINARY ITEMS AND PRIOR PERIOD ADJUSTMENTS:		9,396,629	266,838,061
ADJUSTMENTS:			
7. Provision for Taxes			
(a) Current Taxes			
- Indian Income Tax		14,250,000	26,500,000
- Foreign Taxes		3,943,940	4,294,035
(b) Deferred Tax		(22,517,260)	5,158,176
(c) Fringe Benefits Tax		7,800,000	7,436,365
		3,476,680	43,388,576
NET PROFIT AFTER TAX:		5,919,949	223,449,485
8. Tax Adjustments In Respect Of Prior Years		-	(9,259,056)
NET PROFIT AFTER TAX AND BEFORE EXTRAORDINARY & PRIOR PERIOD ITEMS:		5,919,949	214,190,429
9. Extraordinary Item (Net Of Taxes)	12	407,420,961	-
10. Prior Period Adjustments	13	16,803,995	-
NET PROFIT:		430,144,905	214,190,429
11. Surplus Brought Forward		1,257,984,690	1,124,277,610
12. Less: Residual Dividend for Previous Fiscal		(8,189)	(10,216)
13. Less: Dividend Tax Thereon		(1,392)	(1,736)
PROFIT AVAILABLE FOR APPROPRIATION:		1,688,120,014	1,338,456,087
APPROPRIATIONS:			
1. Proposed Dividend		49,691,480	49,682,848
2. Dividend Tax		3,858,182	8,443,600
3. Transfer to General Reserve		43,100,000	22,344,949
4. Utilised For Creation Of Investment Reorganisation Reserve		538,512,369	-
5. Surplus Carried Forward		1,052,957,983	1,257,984,690
TOTAL		1,688,120,014	1,338,456,087
EARNINGS PER EQUITY SHARE	14 - (25)		
(Face value Rs. 2 each)			
Before Extraordinary Items:			
Basic		0.23	3.45
Diluted		0.23	3.43
Including Extraordinary Items:			
Basic		(1.83)	3.45
Diluted		(1.83)	3.43

NOTES TO ACCOUNTS

14

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 the Profit and Loss Account and Schedules 9 to 14.
For and on behalf of the Board

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

M. Sarwate
DIRECTOR

Darius Z. Fraser
PARTNER

Priya Jadhav
VICE PRESIDENT - FINANCE

Vijay Gangrade
COMPANY SECRETARY & COMPLIANCE OFFICER

Mumbai: August 25, 20009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

		(Amount in Rupees)	
		Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax		9,396,629	266,838,061
Adjustment for:			
Depreciation	96,581,776		93,196,972
(Profit)/Loss on Sale of Fixed Assets	513,107		667,624
(Profit)/Loss on Sale of Investments	(10,571,878)		(106,169)
Interest Expense	10,576,215		14,990,619
Interest Income	(21,625,106)		(14,388,015)
Dividend Income	(71,925,529)		(106,841,465)
(Including Rs. 4,004,528 Reinvested; - previous year Rs. 1,067,965)			
Others	-		(5,980)
		3,548,585	(12,486,414)
Operating Cash Flows Before Working Capital Changes		12,945,214	254,351,647
Working Capital Changes:			
Sundry Debtors	(82,526,000)		5,789,530
Loans and Advances	(42,356,633)		1,865,224
Other Current Assets	(371,737,365)		(49,005,160)
Adjustment for Cash Flow Hedging Reserve	(87,498,062)		(17,793,000)
Current Liabilities and Provisions	249,213,535		75,860,477
		(334,904,525)	16,717,071
Cash Generated from Operations		(321,959,311)	271,068,718
Income Taxes Paid		(32,478,426)	(38,068,716)
Net Cash Flow from Operating Activities before Prior Period Adjustments		(354,437,737)	233,000,002
Prior Period Adjustments		16,803,995	-
Net Cash Flow from Operating Activities		(337,633,742)	233,000,002
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(100,890,941)		(82,545,811)
Sale of Fixed Assets	534,482,059		67,614,445
Purchase/Reinvestment of Investments (Including Rs. 4,004,528 Reinvested; - previous year Rs. 1,067,965)	(2,228,904,528)		(1,161,567,965)
Further Investment in Subsidiary Company	(37,741,787)		-
Sale of shares in Subsidiary Companies	132,493,401		-
Sale/Redemption of Investments	2,159,508,117		1,141,652,268
Loans to Subsidiaries Repaid/(Given)	(86,430,152)		(156,284,741)
Dividend Received (Including Rs. 4,004,528 Reinvested; - previous year Rs. 1,067,965)	71,925,529		106,841,465
Interest Received	21,473,175		14,286,895
Extra ordinary Item (sale of building and other assets, net of taxes)	254,657,642		-
Net Cash used in Investing Activities		720,572,515	(70,003,444)
Balance carried forward		382,938,773	162,996,558



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	(Amount in Rupees)	
	Current Year	Previous Year
Balance Brought Forward	382,938,773	162,996,558
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital/ESOPs	4,186,880	9,129,763
Borrowings from Bank	285,596,750	437,951,154
Repayment of Bank Borrowings	(320,240,750)	(491,579,154)
Interest Paid	(10,576,215)	(14,990,619)
Dividend Paid	(49,251,335)	(49,693,599)
Dividend Tax Paid	(3,856,715)	(8,421,466)
Net Cash (Used)/Raised in Financing Activities	(94,141,385)	(117,603,921)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	288,797,388	45,392,637
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING		
Cash and Bank Balances	74,212,367	28,819,730
AS AT THE ENDING		
Cash and Bank Balances	363,265,423	74,389,399
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(255,668)	(177,032)
	363,009,755	74,212,367
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	288,797,388	45,392,637

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

M. Sarwate
 DIRECTOR

Darius Z. Fraser
 PARTNER

Priya Jadhav
 VICE PRESIDENT - FINANCE

Vijay Gangrade
 COMPANY SECRETARY & COMPLIANCE OFFICER

Mumbai : August 25, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

			(Amount in Rupees)	
			Current Year	Previous Year
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:			
	62,114,350	Equity shares of Rs. 2/- each (previous year		
	62,103,560	equity shares of Rs. 2/- each) fully paid up.	124,228,700	124,207,120
TOTAL			124,228,700	124,207,120
Notes:				
a)	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.			
b)	During the year, 10,790 (previous year 167,065) equity shares of Rs. 2 each have been issued under the Employee Stock Option Plans and Nil (previous year 8,500) equity shares of Rs. 2 each have been issued under the Directors' Stock Option Scheme of the Company.			
SCHEDULE 2: RESERVES AND SURPLUS				
1.	SECURITIES PREMIUM ACCOUNT			
	As per last Balance Sheet	641,148,118		632,735,768
	Add: Received during the year	4,611,766		8,412,350
	Less: Utilised for creation of Investment Reorganisation Reserve	(641,148,118)		-
			4,611,766	641,148,118
2.	CASH FLOW HEDGING RESERVE			
	As per last Balance Sheet	(17,793,000)		-
	Add: Amount transferred during the year	(87,498,062)		(17,793,000)
			(105,291,062)	(17,793,000)
3.	GENERAL RESERVE			
	As per last Balance Sheet	120,339,513		97,994,564
	Add: Transfer from Profit and Loss Account	43,100,000		22,344,949
	Less: Utilised for creation of Investment Reorganisation Reserve	(120,339,513)		-
			43,100,000	120,339,513
4.	INVESTMET REORGANISATION RESERVE			
	Transfer from Securities Premium Account	641,148,118		-
	Transfer from General Reserve	120,339,513		-
	Transfer from Profit and Loss Account	538,512,369		-
	Less: Utilisation during the year	(543,932,851)		-
			756,067,149	-
5.	PROFIT AND LOSS ACCOUNT - SURPLUS		1,052,957,983	1,257,984,690
TOTAL			1,751,445,836	2,001,679,321



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

(Amount in Rupees)		
	Current Year	Previous Year
SCHEDULE 3: SECURED LOANS		
1. BORROWINGS FROM BANKS		
a) Short Term Loan	121,728,000	156,372,000
(Secured by hypothecation of book debts)		
TOTAL	121,728,000	156,372,000
SCHEDULE 4: DEFERRED TAX LIABILITY (NET)		
1. Deferred Tax Liability		
Depreciation on Fixed Assets	30,605,000	47,683,643
2. Deferred Tax Asset		
a) Provision for Bonus	(3,912,000)	(1,084,092)
b) Provision for Employee Benefits	(1,711,000)	(1,170,779)
c) Provision for Bad and Doubtful Debts	(3,604,000)	(928,498)
d) Others	(2,167,000)	(2,772,014)
	(11,394,000)	(5,955,383)
TOTAL	19,211,000	41,728,260

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 5: FIXED ASSETS

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK		Rupee
	As on 1-Apr-08	Additions	Deductions	As on 31-Mar-09	Upto 31-Mar-08	Adjustments	For the Year	On Deductions	Upto 31-Mar-09	As on 31-Mar-09	
Leasehold Land	50,367,395	-	34,637,980	15,729,415	3,066,227	-	429,829	2,010,893	1,485,163	14,244,252	47,301,168
Buildings	334,988,392	-	221,284,852	113,703,540	51,240,828	-	8,275,389	26,676,409	32,839,808	80,863,732	283,747,564
Computers	120,460,502	5,317,355	3,306,728	122,471,129	109,244,491	-	9,752,838	3,306,728	115,690,601	6,780,528	11,216,011
Electrical Installations	205,970,110	2,304,837	116,445,607	91,829,340	102,976,536	-	16,768,249	48,840,966	70,903,819	20,925,521	102,993,574
Office Equipment and EPABX System	45,788,412	5,809,097	8,157,843	43,439,666	19,872,679	-	4,289,777	2,298,173	21,864,283	21,575,383	25,915,733
Furniture and Fixtures	216,704,357	28,140,765	116,114,906	128,730,216	87,886,762	-	19,213,630	35,757,279	71,343,113	57,387,103	128,817,595
Vehicles	5,732,310	-	1,829,262	3,903,048	1,004,514	-	512,256	654,883	861,887	3,041,161	4,727,796
Intangible Assets: - Computer Software	152,498,400	43,918,863	-	196,417,263	61,487,875	8,630,600	37,339,808	-	107,458,283	88,958,980	91,010,525
TOTAL	1,132,509,878	85,490,917	501,777,178	716,223,617	436,779,912	8,630,600	96,581,776	119,545,331	422,446,957	293,776,660	-
Previous Year	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
Capital Work-in-Progress including Capital Advances										16,455,617	1,055,593
TOTAL										310,232,277	696,785,559

SCHEDULE 6: INVESTMENTS

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SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 6: INVESTMENTS (Contd.)

Previous Year	Current Year		Face Value		Current Year	Previous Year
Nos.	Nos.		Rs.	Rupees	Rupees	Rupees
		Balance brought forward		50,000,000		50,036,300
IN UNITS OF MUTUAL FUNDS (Contd.)						
Current Investments (At lower of cost and market value)						
Quoted, Non Trade (Contd.)						
-	4,984,299	HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale	10	50,000,000	-	-
2,990,579	6,479,589	Purchased during the year				
4,563	4,029	Dividend Reinvested during the year				
2,995,142	1,499,319	Sold during the year				
-	-	- DSP Merrill Lynch Liquidity Fund Daily-Regular Dividend Reinvestment			-	-
19,996	-	- Purchased during the year				
77	-	- Dividend Reinvested during the year				
20,073	-	- Sold during the year				
-	-	- Kotak FMP 14M Series 30 Growth - Wholesale Plan Dividend Payout	10	-	-	-
-	8,500,000	Purchased during the year				
-	8,500,000	Sold during the year				
-	-	- LIC MF Interval Fund - Series 1-Quarterly Growth-Wholesale Plan	10	-	-	-
-	5,000,000	Purchased during the year				
-	5,000,000	Sold During the Year				
-	-	- SBI Debt Fund Series - 90 days - 23 - Growth Wholesale Plan	10	-	-	-
-	13,500,000	Purchased during the year				
-	13,500,000	Sold during the year				
		Balance carried forward		100,000,000	-	50,036,300

SCHEDULE 6: INVESTMENTS (Contd.)Annual Report 2008-09



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 6: INVESTMENTS (Contd.)

Previous Year	Current Year	Face Value		Current Year	Previous Year
Nos.	Nos.	Rs.	Rupees	Rupees	Rupees
	Balance brought forward		100,000,000	-	50,036,300
IN UNITS OF MUTUAL FUNDS					
Current Investments (At lower of cost and market value)					
Quoted, Non Trade					
-	- Canara Robecco FMP - 3 - Quarterly Plan 4 - Institutional Growth Fund	10	-		-
-	3,000,000 Purchased during the year				
-	3,000,000 Sold during the year				
-	- IDFC Liquid Plus Fund - Treasury Plan - Dividend Reinvestment	10	-		-
-	3,566,175 Purchased during the year				
-	1,724 Dividend Reinvested during the year				
-	3,567,898 Sold during the year				
-	1,962,726 Reliance Liquid Fund - Treasury Plan- Institutional Option - Daily Dividend	10	30,004,588		-
-	3,270,710 Purchased during the year				
-	920 Dividend Reinvested during the year				
-	1,308,904 Sold during the year				
				130,004,588	50,036,300
2. EQUITY SHARES IN SUBSIDIARY COMPANIES					
Long Term (At Cost) Unquoted, Trade					
50,000	- No Par Value Common Shares of US\$ 1 each in Geometric Americas, Inc. - a wholly owned subsidiary company incorporated in U.S.A.	US\$ 1	-		2,041,500
140,000	- No Par Value Common Shares of US\$ 100 each in Geometric Americas, Inc. - a wholly owned subsidiary company incorporated in U.S.A.	US\$ 100	-		634,795,000
	Balance carried forward		-	-	636,836,500



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 6: INVESTMENTS (Contd.)

Previous Year Nos.	Current Year Nos.	Face Value Rs.	Rupees	Current Year Rupees	Previous Year Rupees
Balance brought forward			-	-	636,836,500
EQUITY SHARES IN SUBSIDIARY COMPANIES					
Long Term (At Cost) Unquoted, Trade (Contd.)					
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 Asisa Pacific Pte. Ltd. - a wholly owned subsidiary company incorporated in Singapore	S\$ 1	2,742,000	2,742,000
6,238	7,583	Common Stock of Geometric Technologies, Inc. - now a wholly owned subsidiary company incorporated in U.S.A		113,348,979	75,607,192
-	1,345	Purchased during the year			
				125,092,979	724,187,692
3. OTHER TRADE INVESTMENTS					
Long Term (At Cost) Unquoted, Trade					
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 Book Value of Investments				286,056,718	805,183,143
4. PROVISION FOR DEPLETION IN VALUE OF INVESTMENTS				30,959,151	-
TOTAL				255,097,567	805,183,143
Aggregate Book Value of Investments:					
Quoted				130,004,588	50,036,300
Unquoted				156,052,130	755,146,843
TOTAL				286,056,718	805,183,143
Repurchase Price of Units of Mutual Funds				130,004,588	51,020,379

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

		(Amount in Rupees)	
		Current Year	Previous Year
SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES			
1. SUNDARY DEBTORS (Unsecured - Considered good, unless otherwise stated)			
a) Debts outstanding for a period exceeding six months (Including doubtful debts Rs. 29,671,018; - previous year Rs. 7,698,848)	29,671,018		7,698,848
b) Other Debts	323,195,150		231,785,477
	352,866,168		239,484,325
c) Less: Provision for Doubtful Debts	38,554,691		7,698,848
		314,311,477	231,785,477
2. CASH AND BANK BALANCES			
a) Cash in Hand	-		-
b) Balances with Scheduled Banks			
- In Current Accounts	36,676,536		69,128,529
- In Deposit Accounts	324,427,118		3,427,118
c) Balances with Non-Scheduled Banks	1,906,101		1,656,720
		363,009,755	74,212,367
3. OTHER CURRENT ASSETS			
a) Dues from Subsidiaries	692,722,963		314,314,129
b) Accrued Interest	435,513		283,582
c) Unrealised Forward Cover Gain (Net)	-		6,671,469
		693,158,476	321,269,180
4. LOANS AND ADVANCES (Unsecured - considered good, unless otherwise stated)			
a) Loans to Subsidiaries	336,230,893		249,800,741
b) Advances recoverable in cash or in kind or for value to be received	115,674,449		150,884,897
c) Sundry Deposits	192,522,206		114,955,125
d) Advance Payment of Taxes (Net of Provision for Taxes)	8,603,462		2,118,976
		653,031,010	517,759,739
TOTAL		2,023,510,718	1,145,026,763

SCHEDULE 8: CURRENT LIABILITIES AND PROVISIONS

1. CURRENT LIABILITIES			
a) Sundry Creditors			
- Micro, Small and Medium Enterprises	-		-
- Others	4,486,867		14,430,471
b) Advances and Deposits	2,552,324		58,131,004
c) Unclaimed Dividends*	1,920,643		1,480,941
d) Loss on Cash Flow Hedges	186,707,779		17,793,000
e) Other Liabilities	318,421,474		162,918,824
		514,089,087	254,754,240
2. PROVISIONS			
a) For Proposed Dividend	4,969,148		49,682,848
b) For Tax on Dividend	8,446,459		8,443,600
c) For Leave Encashment	-		9,681,610
		58,137,939	67,808,058
TOTAL		572,227,026	322,562,298

* The amount of Unclaimed Dividend reflects the position as at March 31, 2009. During the year, the Company has transferred an amount of Rs. 47,249 (previous year Rs. 67,318); 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, 2009

(Amount in Rupees)		
	Current Year	Previous Year
SCHEDULE 9: OTHER INCOME		
1. Dividend from Subsidiary Company	67,515,000	105,773,500
2. Other Dividends	4,410,529	1,067,965
3. Interest on Advances and Deposits (Gross) (Tax Deducted at Source Rs. 143,177; previous year Rs. 36,502)	21,625,106	14,388,015
4. Rent Received	41,441,928	59,642,366
5. Profit on Sale of Investments (Net)	10,571,878	106,169
6. Miscellaneous Income	4,469,832	4,223,665
TOTAL	150,034,273	185,201,680
SCHEDULE 10: OPERATING AND OTHER EXPENSES		
1. Personnel Expenses		
Salaries, Bonus and Allowances	1,202,147,949	1,029,085,513
Contribution to Provident and Other Funds	70,828,012	50,825,261
Staff Welfare Expenses	36,574,727	41,601,425
2. Software Tools and Packages	23,830,900	39,104,257
3. Electricity Expenses	44,007,355	32,639,048
4. Rates and Taxes	1,642,297	1,168,436
5. Rent and Service Charges	136,314,862	76,420,940
6. Repairs and Maintenance		
a) Computers	11,472,214	11,787,005
b) Buildings	4,020,425	1,732,843
c) Others	16,815,972	14,014,463
	32,308,611	27,534,311
7. Insurance	4,670,223	4,899,157
8. Travelling and Conveyance Expenses	124,662,965	111,467,606
9. Computer Rental Charges	91,982,174	69,596,100
10. Communication Expenses	43,479,904	26,064,498
11. Legal and Professional Charges	72,028,678	38,094,882
12. Advertising and Publicity	11,000,417	5,954,983
13. Staff Recruitment Expenses	11,452,098	11,728,098
14. Royalty	61,896,922	27,139,822
15. Miscellaneous Expenses	12,259,223	7,900,645
16. Sales and Marketing Expenses	20,589,166	32,718,040
17. Commission to Non-Executive Directors	929,000	2,212,242
18. Loss on Sale of Assets (Net)	513,107	667,624
19. Bad Debts Written Off	2,315,509	585,802
20. Provision for Doubtful Debts and Advances	30,855,843	(146,987)
21. Impairment of Software	8,630,600	-
22. Transfer from Investment Recorganisation Reserve	(8,630,600)	-
TOTAL	2,036,289,942	1,637,261,703

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	(Amount in Rupees)	
	Current Year	Previous Year
SCHEDULE 11: INTEREST AND FINANCE CHARGES		
1. Interest on Bank Loans	6,982,162	13,063,366
2. Bank Charges	3,594,053	1,927,253
TOTAL	10,576,215	14,990,619
SCHEDULE 12: EXTRAORDINARY ITEM (NET OF TAXES)		
1. Profit on Sale of Land and Buildings	435,179,214	-
2. Loss on Sale of Other Assets	(13,408,253)	-
3. Loss on Sale of Investments	(504,343,100)	-
4. Provision for Diminution of Value of Investment	(30,959,151)	-
5. Transfer from Investment Reorganisation Reserve	535,302,251	-
6. Provision for Income-tax on Extraordinary Items	(14,350,000)	-
TOTAL	407,420,961	-
SCHEDULE 13: PRIOR PERIOD ADJUSTMENTS		
1. Service Tax Adjustments	15,997,532	-
2. Bad Debts Written Back	806,463	-
TOTAL	16,803,995	-



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: 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.

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.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

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 dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 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.

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 unamortized balance is charged to revenue. If the usage of software is discontinued, its unamortized 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.



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

- (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 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:

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 of service 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.

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

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

Company recognises 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 recognised 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 recognised 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 recognised in the financial statements since this may result in the recognition of income that may never be realised.

2. SCHEME OF ARRANGEMENT:

- a) The Board of Directors of the Company have approved a Scheme of Arrangement between the Company and its members to undertake a financial reorganisation in accordance with Section 391 to 393 read with Section 78 and Section 100 to 103 of the Companies Act, 1956. The Scheme of Arrangement has been approved by the Hon. High Court of Judicature at Bombay on August 12, 2009 and a certified copy of the Order has been filed with the Registrar of Companies at Mumbai on August 24, 2009.

- b) The salient features of the Scheme of Arrangement are as follows:

- i) The Company has created an Investment Reorganisation Reserve by appropriating Rs. 641,148,118 from the Security Premium Account, Rs. 120,339,513 from General Reserve and Rs. 538,512,369 from the Profit and Loss Account on and from the Appointed Date of February 6, 2009.
- ii) The Investment Re-organisation Reserve would be utilized to the extent considered necessary by the Board of Directors of the Company from time to time, for providing for diminution in the value of investments, impairment in the value of goodwill and offsetting realisation of loss on sale of investments, if any.
- iii) Any reversal of any such provisioning at any time later would be adjusted to the same Investment Reorganisation Reserve
- iv) During the year the Investment Reorganisation Reserve has been utilized as follows:

	Rupees
Reserve Created During the Year	1,300,000,000
Utilized During the Year:	
Loss on Sale of Shares in Subsidiary	(504,343,100)
Impairment of Investment	(30,959,151)
Impairment of Software	(8,630,600)
Balance as on March 31, 2009	756,067,149

3. 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. 405,760,000 (*USD 8,000,000*) (*previous year Rs. 318,720,000 (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. As at March 31, 2009, Rs. 284,032,000 (*USD 5,600,000*) (*previous year Rs. 318,720,000 (USD 8,000,000)*) has been drawn under the credit agreement.



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

- c) Corporate guarantee in respect of a revolving credit agreement with the bank of Rs. 507,200,000 (USD 10,000,000) (*previous year Rs. 398,400,000 (USD 10,000,000)*) availed by its subsidiary. As at March 31, 2009, Rs. 412,716,299 (USD 8,137,151) (*previous year 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) Corporate Guarantee of Rs. 200,000,000 (*previous year Rs. Nil*) in respect of Term Loan to be availed by 3D PLM Software Solutions Limited, a joint venture by Geometric Limited and Dassault Systems, secured by mortgage of immovable properties of 3D PLM Software Solutions Limited, at Pune in favour of Citibank, N.A. or its agents or trustees. As at March 31, 2009, Rs. 200,000,000 (*previous year Rs. Nil*) has been drawn.
- e) Corporate Guarantee of Rs. 200,000,000 (*previous year Rs. Nil*) in respect of Working Capital Facility to be availed by 3D PLM Software Solutions Limited, a joint venture by Geometric Limited and Dassault Systemes, secured by book debts of 3D PLM Software Solutions Limited, in favour of Citibank, N.A. or its agents or trustees. As at March 31, 2009, Rs. 152,160,000 (USD 3,000,000) (*previous year Rs. Nil (USD Nil)*) has been drawn.
- f) Claims against the Company not acknowledged as debt:
 - i) Rs. 42,715,518 (*previous year Rs. Nil*) in respect of disputed demand of income tax against which the Company has preferred an appeal.
 - ii) Rs. 172,818 (*previous year Rs. 172,818*) in respect of disputed demand of excise duty against which the Company has preferred an appeal.
 - iii) Rs. 2,292,825 (*previous year Rs. 165,966*) in respect of a sales tax assessment of a previous year against which the Company has applied for cancellation.
 - iv) Suit filed against the Company in India Claiming damages for alleged breach of a non-termination provision in an agreement. The case has already been dismissed by a Court of law in Virginia, USA.

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. 8,625,264 (*previous year Rs. 5,836,974*).

b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) Rs. 3,612,455 (*previous year Rs. 5,412,412*).

5. SECURED LOANS

Working capital facilities are secured by a pari-passu charge on book debts of the Company, both present and future.

6. INVESTMENTS

During the year the Company has sold its stake in its 100% subsidiary Geometric Americas Inc., to another 100% subsidiary Geometric Technologies, Inc. for a consideration determined as per an independent valuation report. Consequently Geometric Americas Inc., is no longer a direct subsidiary of the Company.

7. FOREIGN EXCHANGE HEDGING

- a) 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 recognised directly under Shareholder's Funds in the Cash Flow Hedging Reserve and the ineffective portion is recognised immediately in the Profit and Loss Account.
- b) The Company uses forward exchange contracts to hedge its foreign exchange exposure. As at March 31, 2009, the Company had 60 outstanding forward exchange contracts to sell foreign currency aggregating to US Dollars 32,555,000 at an average rate of Rs. 45.53 per US Dollar. The Company does not use foreign currency options.

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

8. LOANS AND ADVANCES

Loans and Advances include:

- a) Loans given to Subsidiaries:

(Amount in Rupees)

Name	Closing Balance		Maximum Debit Balance During the Year	
	Year to Date	Previous Year	Year to Date	Previous Year
Geometric Technologies Inc.	-	1,497,941	1,506,750	3,246,000
Geometric Americas Inc.	336,230,893	248,302,800	336,230,893	248,302,800

- b) Dues from / to Subsidiaries:

(Amount in Rupees)

Name of the Subsidiary Company	Closing Balance		Maximum Debit Balance During the Year	
	Year to Date	Previous Year	Year to Date	Previous Year
3D PLM Software Solutions Limited	33,630,127	184,128 Cr.	447,397,045	16,071,912
Geometric Americas, Inc.	547,687,359	230,404,580	598,322,834	255,740,605
Geometric Technologies, Inc.	16,514,559	20,595,281	143,530,926	21,698,573
Geometric Asia Pacific Pte. Ltd.	71,897,276	64,996,338	104,793,270	88,161,999
Geometric Engineering, Inc.	20,267,487	2,155,029	23,407,760	10,370,142
Geometric China, Inc	2,725,322	-	5,565,820	-

9. CURRENT LIABILITIES

- a) Unclaimed Dividends are net of amount transferred to the Unpaid Dividend Account with Scheduled bank in accordance with the provisions of Section 205A of the Companies Act, 1956.
- b) 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.

10. PROVISIONS

- a) 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	16,252,603	15,273,488
Additional provision made during the year	12,106,772	16,252,603
Amount paid/utilized during the year	16,401,339	14,568,624
Unused amount reversed during the year	-	704,864
Carrying amount at the end of the year	11,958,036	16,252,603



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

2. Provision for Variable Pay*:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Carrying amount at the beginning of the year	20,922,546	23,854,900
Additional provision made during the year	112,882,070	65,422,885
Amount paid/utilized during the year	67,912,026	65,746,944
Unused amount reversed during the year	23,000,000	2,608,295
Carrying amount at the end of the year	42,892,590	20,922,546

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

11. 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.

(Amounts in Rupees)

Particulars	Current Year	Previous Year
1. Lease Rentals paid during the year	192,756,434	123,904,756
2. Future Lease Obligations		
– Due within one year	190,357,933	80,636,214
– Due between one year and five years	413,977,176	113,752,628
– Due after five years	Nil	Nil

12. EMPLOYEE STOCK OPTIONS

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

Particulars	Scheme III ESOP Directors 2000 Scheme	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 18, 2003 and June 29, 2004)	Extraordinary General Meeting November 21, 2006)
2. Approved	300,000	2,750,000	1,850,000
3. The Pricing Formula	National Stock Exchange (NSE) market price.	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	260,000	@ 1,942,825	@ 340,000
5. Options Vested	260,000	1,895,920	34,000
6. Options Exercised	216,500	1,148,695	-
7. Options Forfeited/ Surrendered	33,500	1,257,915 ^	1,532,500 ^

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

Particulars	Scheme III ESOP Directors 2000 Scheme	Scheme V ESOP Scheme 2003	Scheme VII Special ESOP Scheme 2006
8. Options Unexercised	-	560,630	340,000
9. Options Lapsed	10,000	233,500	-
10. Total Number of Options in force	-	560,630	340,000
11. Variation in terms of ESOP	NA	NA	NA
12. Total number of shares arising as a result of exercise of options	216,500	1,148,695	-
13. Money realised by exercise of options (Rs. in Lakhs)	71.66	570.10	-

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

@ Net of forfeited /surrendered.

Notes:

- The number of options disclosed 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.

13. CONVERTIBLE WARRANTS

The Company had issued 350,000 convertible warrants to the Founder and Vice Chairman on a preferential basis. Each warrant was converted 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 allottee was entitled to apply for equity 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 had paid a sum of Rs. 4,130,000 equivalent to 10% of the price calculated in accordance with the Preferential Issue Guidelines. As the option was not exercised within the stipulated time, the said amount was forfeited during the year and being a capital receipt has been credited to Securities Premium Account.

14. 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 respect of two units of 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 recognised.



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

15. RELATED PARTY TRANSACTIONS:

A. Related Parties and their Relationships

- a) Subsidiary Companies :
1. Geometric Asia Pacific Pte. Ltd., Singapore and its subsidiary Geometric China Inc.
 2. 3D PLM Software Solutions Ltd.
 3. Geometric Technologies Inc.
(Including Geometric Americas Inc. and its subsidiaries)
- b) Key Management Personnel :
1. Mr. Ravishankar G., Managing Director & CEO
(with effect from February 21, 2009)
 2. Dr. Ravi Gopinath, Former Managing Director & CEO
(up to February 20, 2009)

B. Transactions with Related Parties

(Amounts in Rupees)

Nature of Transaction	Subsidiary Companies	Parties Having Significant Influence	Key Management Personnel
a) Sales – Software Services	805,804,872 (322,310,633)	- (3,937,799)	
b) Software Development Charges - Subcontract	5,313,560 (69,46,927)		
c) Rent Income	42,982,824 (31,769,119)		
d) Royalty Income	37,584,391 (19,520,046)		
e) Interest Received on Loans	20,587,009 (13,667,701)		
f) Dividend Received	67,515,000 (105,773,500)		
g) Reimbursement of Expenses	52,475,400 (67,808,253)	- (2,228,253)	
h) Compensation for Services	20,589,166 (135,383,554)		
i) Marketing Expenses Paid	- (24,298,884)		
j) Dividend paid		- (9,020,000)	
k) Rent Paid towards Leased Premises		- (27,643,575)	
l) Managerial Remuneration			7,668,843 (12,526,717)
m) Other Expenses		- (898,310)	

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

Nature of Transaction	Subsidiary Companies	Parties Having Significant Influence	Key Management Personnel
n) Purchase of Fixed Assets	7,066,124 -	- (541,377)	
o) Sale of Fixed Assets	503,082,407 -		
p) Purchase of Investment	37,741,787 -		
q) Sale of Investment	132,493,400 -		
r) Loan Repaid	- (1,497,941)		
s) Loan Given	30,564,000 (158,032,800)		
t) Deposits Placed		- (121,500)	
u) Receivables including loan	1,090,231,609 -		
v) Payables	61,278,585 -		
Balances as on Balance Sheet Date:	1,028,953,024Dr. (567,767,841Dr)	- (4,366,351 Dr)	



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

	Rupees	Current Year Rupees	Previous Year Rupees
16. COMPUTATION OF PROFITS UNDER SECTION 349 OF THE COMPANIES ACT, 1956.			
Profit Before Tax as per Profit and Loss Account		9,396,629	266,838,061
Add:			
Depreciation as per Accounts	96,581,776		93,196,972
Managerial Remuneration	7,667,955		12,526,717
Profit on sale of fixed assets as per section 349(3)	16,192,854		-
Loss on Sale of Assets (Net)	513,107		667,624
Provision for Doubtful Debts	30,855,843		(146,987)
		151,811,535	106,244,326
		161,208,164	373,082,387
Less:			
Depreciation under Section 350	56,058,272		93,196,972
Profit on Sale of Investments (Net)	10,571,878		106,169
		66,630,150	93,303,141
Eligible Profits		94,578,014	279,779,246
a) Remuneration to the Managing Director @ 5% of Eligible Profit as per Section 198 read with Schedule XIII of the Companies Act, 1956, shall not exceed:		4,728,901	
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:			27,977,925
b) Maximum remuneration payable to the Managing Director as per Schedule XIII in case of inadequacy of profits shall not exceed:		4,800,000	
c) Remuneration to Managing Director		4,726,069	
Remuneration to Managing Director and Founder & Vice Chairman:			10,314,475
d) 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 1.5% (previous year 1%) of the profit before tax based on the Consolidated Financial Accounts of the Company.		929,888	4,424,484
e) Commission Payable to Non-Executive Directors		929,000	2,212,242
17. MANAGERIAL REMUNERATION			
a) Salary and Allowances		4,726,069	10,314,475
b) Estimated Monetary Value of Perquisites		1,022,886	-
c) Commission to Non-Executive Directors		929,000	2,212,242
d) Directors' Sitting Fees		990,000	-
TOTAL		7,667,955	12,526,717

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

18. 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 makes contributions 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 Plan

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 an 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 of service depending on the date of joining. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

ii) Leave Encashment:

The employees are entitled to receive certain benefits in lieu of the annual leave not availed of during service, 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.

c) 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.

d) Amounts Recognised as Expense:

i) Defined Contribution Plans

Employer's Contribution to Provident Fund amounting to Rs. 41,223,023 (previous year 30,790,200) and contribution to Superannuation Fund amounting to Rs. 14,817,571 (previous year 10,743,398) has been included in Schedule 10 under Personnel Expenses - Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 14,787,418 (previous year 9,291,663) has 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, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

18. EMPLOYEE BENEFITS (Contd.)

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

	Gratuity	
	Current Year Rupees	Previous Year Rupees
i) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	28,274,807	22,307,593
Current Service Cost	15,322,370	4,773,770
Interest Cost	2,183,097	1,612,402
Actuarial (Gain)/Loss on Obligation	3,468,405	3,886,178
Benefits Paid	(1,972,192)	(4,305,136)
Present value of the obligation at the end of the year	47,276,487	28,274,807
ii) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	27,877,959	21,753,250
Expected return on Plan Assets	2,301,268	1,985,248
Actuarial (Gain) / Loss on Plan Assets	1,893,952	(1,943,963)
Contributions by the Employer	3,747,980	10,388,560
Benefits Paid	(1,972,192)	(4,305,136)
Fair value of Plan Assets at the end of the year	33,848,967	27,877,959
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	47,276,487	28,274,807
Fair value of Plan Assets at the end of the year	33,848,967	27,877,959
Net Obligation at the end of the year	(13,427,520)	(396,848)
iv) Amounts Recognised in the statement of Profit and Loss:		
Current Service Cost	15,322,370	4,773,770
Interest cost on Obligation	2,183,097	1,612,402
Expected return on Plan Assets	(2,301,268)	(1,985,248)
Expected return on Reimbursement Right recognised as an asset	-	-
Net Actuarial (Gain)/Loss recognised in the year	1,574,453	5,830,141
Past Service Cost	-	554,343
Net Cost Included in Personnel Expenses	16,778,652	10,785,408
v) Actual return on Plan Assets		
Expected return on Plan Assets	2,301,268	1,985,248
Actuarial Gain/(Loss) on Plan Assets	1,893,952	(1,943,963)
	4,195,220	41,285
vi) Actuarial Assumptions		
i) Discount Rate	7% P.A.	8% P.A.
ii) Expected Rate of Return on Plan Assets	8% P.A.	8% P.A.
iii) Salary Escalation Rate	7% P.A.	9% 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
vi) Expected Average Remaining Working Lives of Employees (Years)	4.95	
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.		

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

	Rupees	Current Year Rupees	Previous Year Rupees
19. AUDITOR'S REMUNERATION			
a) Statutory Audit Fees		2,400,000	1,920,000
b) Audit Under Other Statutes		340,000	260,000
c) In Other Capacity:			
Taxation Matters	561,800		500,000
Certification	345,367		50,000
Other Charges	-		150,000
		907,167	700,000
d) Reimbursement of Expenses		152,516	52,515
TOTAL		3,799,683	2,932,515
20. VALUE OF IMPORTS ON C.I.F. BASIS			
a) Capital Goods		63,084,815	3,368,024
TOTAL		63,084,815	3,368,024
21. EXPENDITURE IN FOREIGN CURRENCY			
a) Travelling Expenses		52,720,491	38,027,787
b) Professional Fees		16,833,296	16,668,499
c) Sales and Marketing Services		28,721,907	34,171,300
d) Royalty		51,757,930	27,685,192
e) Salary - On Site Employees		201,159,714	181,865,980
f) Exhibition Expenses		2,419,892	1,168,418
g) Software Packages & Tools		2,948,686	10,034,516
h) Others		535,512,976	8,787,854
TOTAL		892,074,892	318,409,546
22. EARNINGS IN FOREIGN CURRENCY			
a) Income from Software Development and Sale of Software		2,188,816,742	1,629,653,731
b) Reimbursement of Expenses		20,587,009	19,200,295
c) Interest and Dividend		35,790,932	13,792,505
TOTAL		2,245,194,683	1,662,646,531



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

	Rupees	Current Year Rupees	Previous Year Rupees
23. BALANCES WITH NON-SCHEDULED BANKS			
Balances with Non-Scheduled Banks comprise of Balances with:			
Deutsche Bank, Aachen - Germany		1,906,101	1,656,720
Maximum balance during the year		17,564,997	14,477,013
TOTAL		1,906,101	1,656,720
24. DIVIDENDS REMITTED IN FOREIGN CURRENCY			
a) Dividend for the year ended March 31, 2008, to one non-resident shareholder on 45,000 shares		36,000	
b) Dividend for the year ended March 31, 2007, to two non-resident shareholders on 5,245,000 shares			4,196,000
TOTAL		36,000	4,196,000
25. EARNINGS PER SHARE			
a) Net Profit After Tax (Before Extraordinary Items)		22,723,944	214,190,429
Less: Software impairment charged to Investment Reorganisation Reserve		(8,630,600)	-
Net Profit (Before Extraordinary Items) For the purpose of EPS Calculation		14,093,344	214,190,429
Net Profit After Tax (Including Extraordinary Items)		430,144,905	214,190,429
Less: Software impairment charged to Investment Reorganisation Reserve		(8,630,600)	-
Less: Utilisation of Investment Reorganisation Reserve		(535,302,251)	-
Net (Loss) / Profit After Tax (After Extraordinary Items) For the purpose of EPS Calculation		(113,787,946)	214,190,429
b) Number of Equity Shares:			
As at the commencement of the year		62,103,560	56,657,795
Issued during the Year		10,790	5,445,765
As at the end of the Year		62,114,350	62,103,560
Weighted Average Number of Equity Shares during the year:			
Basic		62,113,513	62,015,774
Diluted		62,113,513	62,525,990
c) Earning per Equity Share of Rs. 2/- each.			
Before Extraordinary Items:			
Basic		0.23	3.45
Diluted		0.23	3.43
Including Extraordinary Items:			
Basic		(1.83)	3.45
Diluted		(1.83)	3.43

26. 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.	:	L7200MH1994PLC077342
State Code	:	11
Balance Sheet Date	:	March 31, 2009

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	:	22

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

Total Liabilities	:	2,588,841
Total Assets	:	25,88,841
Sources of Funds		
Paid-up Capital	:	124,229
Share Application Money	:	-
Reserves and Surplus	:	1,751,446
Secured Loans	:	121,728
Unsecured Loans	:	-
Deferred Tax Liability	:	19,211
Application of Funds		
Net Fixed Assets	:	310,232
Investments	:	255,098
Net Current Assets	:	1,451,284
Miscellaneous Expenditure	:	-
Accumulated Losses	:	-

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

Turnover	:	2,453,852
Total Expenditure	:	2,444,455
Profit /(Loss) Before Tax	:	9,397
Profit/(Loss) After Tax	:	5,920
Earning Per Share in Rs.	:	(1.83)
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.	31-Mar-2009	Geometric SRL, Romania	31-Mar-2009	Geometric SAS, France	31-Mar-2009	Geometric Asia Pacific Pte Ltd.,	31-Mar-2009	Geometric China Inc.	31-Mar-2009	3D PLM Software Solutions Ltd.	31-Mar-2009	Geometric Technologies Inc.	31-Mar-2009
B.	Financial year of the subsidiary ended on														
C.	The company's interest in the subsidiary on the aforesaid date														
a)	Numbers of shares/stocks held	Geometric Technologies Inc held the entire stock of aggregate value of US\$ 14,050,000	Common stock - No face value 100%	Geometric Americas Inc held the entire stock of aggregate value of US\$ 54,734	Common stock - No face value 100%	Geometric Inc held the entire stock of aggregate value of US\$ 54,734	Common stock - No face value 100%	Geometric Ltd held the entire stock of aggregate value of US\$ 100,000	Common stock - No face value 100%	Geometric Asia Pacific Pte Ltd held the entire stock of aggregate value of RMB 1,125,552	Common stock - No face value 100%	Geometric Limited held 900,200 Equity Shares	Rs. 10	Geometric Ltd held the entire stock of aggregate value of US\$ 2,062,771	US\$ 272
b)	Face Value per share	Common stock - No face value	100%	Common stock - No face value	100%	Common stock - No face value	100%	Common stock - No face value	100%	Common stock - No face value	100%	Common stock - No face value	70%	Common stock - No face value	100%
c)	Extent of Holdings	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\$ (3,901,353)		US\$ (32,457)		US\$ (774,369)		US\$ 665,303		S\$ 726,948		RS 427,362,812		US\$ 106,618	
Equivalent INR*		(197,876,633.29)		(1,646,219.04)		(39,275,995.68)		22,194,508.08		(24,250,985.28)				5,407,664.96	
2.	For the previous financial years of the subsidiary since it became the Company's subsidiary	US\$ (2,859,192)		US\$ (565,385)		US\$ (44,300)		S\$ 1771,724		S\$ (234,139)		RS. 657,203,889		US\$ 247,156	
Equivalent INR*		(113,561,611.00)		(22,563,008.00)		(1,879,446.00)		50,868,931.00		(9,033,422.00)				9,049,275.00	
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	
Equivalent INR*		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	
Equivalent INR*		NIL		NIL		NIL		NIL		NIL		-		NIL	

*Exchange Rate Used: USD- INR= 50.72, SGD - INR =33.36

Disclaimer:

We have translated the foreign currency amounts in the financial data derived from subsidiaries' financial statements at the closing rate as on March 31, 2009. The translations should not be considered as a representation that such foreign currency amounts been, could have been or could be converted into Rupees at any particular rate, the rate stated above, or at all.

For and behalf of the Board

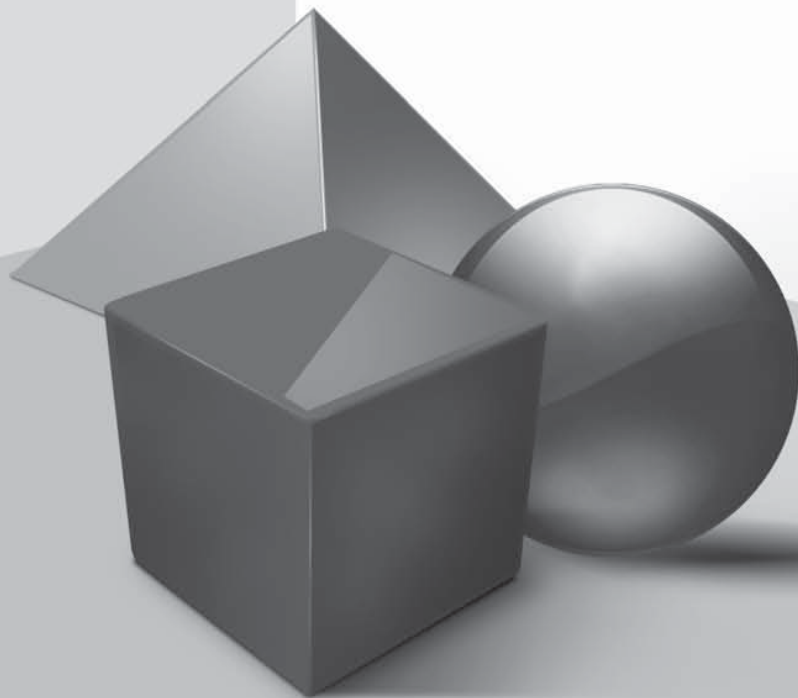
J. N. GODREJ
Chairman

MANU PARIJA
Founder & Vice Chairman

M. SARWATE
Director

3D PLM Software Solutions Ltd.

Annual Report and Accounts
for the year ended March 31, 2009



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, 2009.

1. FINANCIAL RESULTS:

The Company's operating performance during the year ended March 31, 2009, as compared to the previous year is summarized below:

	(Amount in Rupees)	
	Current Year	Previous Year
Sales and Other Income	1,369,998,629	901,200,360
Profit Before Interest, Depreciation and Tax	548,813,000	328,564,698
Depreciation	91,307,486	87,095,924
PROFIT BEFORE TAX:	457,505,514	241,468,774
Prior Period And Extraordinary Items	(995,672)	1,84,566
Provision For Taxes	29,147,030	7,767,641
PROFIT AFTER TAX:	427,362,812	233,885,699
Surplus Brought Forward	184,843,369	111,918,024
PROFIT AVAILABLE FOR APPROPRIATION:	612,206,181	345,803,723
APPROPRIATIONS:		
Dividend		
- Interim	96,450,000	115,740,000
- Final	-	-
Dividend Tax	16,391,678	20,720,354
Transfer To General Reserve	42,750,000	24,500,000
Surplus Carried Forward	456,614,503	184,843,369
TOTAL	612,206,181	345,803,723

2. DIVIDEND:

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

Date of declaration	% to Paid up capital	Rs. per share	Total amount of dividend	Dividend Distribution Tax
July 21, 2008	300	30	38,580,000	6,556,671
October 14, 2008	150	15	19,290,000	3,278,300
Total	450	45	57,870,000	9,834,971

The Board of Directors recommends interim dividend as paid be final dividend for the financial year 2008-2009.

3. BUSINESS PROSPECTS:

3D PLM has completed seven years of operation and continues to add value to Dassault Systemes. We have grown from 763 to 925 developers during the year. The Company embarked on a major project to double its productivity over the next 3 years. At the same time

the Company actively encourages innovation around DS products through competitions between teams.

This approach has ensured that the Company gets its fair share as DS continues to invest in maintaining and upgrading its technologies.

DIRECTORS' REPORT TO THE MEMBERS (CONTD.)

4. PURCHASE OF PROPERTY:

With a view of support to the expansion plans of the Company in future during the year Company purchased a building namely "Agra Fort Building" along with furniture and fixtures situated at Phase I, Hinjewadi, Pune for a consideration of Rs. 52 Crores.

5. DIRECTORS:

During the year Dr. Ravi Gopinath has resigned as Director of the Company with effect from February 20, 2009. Mr. Ravishankar G. was appointed as an Additional Director of the Company w. e. f. March 5, 2009 and he holds office until the forthcoming annual general meeting of the Company. A notice has been received from a member of the Company, under Section 257 of the Companies Act, 1956 for the appointment of Mr. Ravishankar G. as Director of the Company. A resolution seeking approval of the members for his appointment as Director according to the principle of proportional representation by system of cumulative voting in accordance with the Section 265 of the Companies Act, 1956 for a period of three years effective from the date of forthcoming Annual General Meeting.

During the year Mr. Christian Nardin was appointed as alternate director to Mr. Jean Philippe Grare effective from October 14, 2008 and resigned with effect from January 9, 2009. Mr. Mukul Agarwal was appointed as alternate director of Mr. Jean Phillippe Grare with effect from January 9, 2009.

Mr. Bruno Latchague and Mr. Phillippe Laufer resigned as Director of the Company and Mr. Dominique Florack, and Mr. David de Muer were appointed as Director in casual vacancy created by resignation of the Directors respectively with effect from April 21, 2009.

Consequent to resignation of Mr. Bruno Latchague as Director of the Company Mr. Christophe D. Foucart, who was appointed as alternate director to Mr. Bruno Latchague will automatically cease to be a director with effect from April 21, 2009.

6. AUDITORS:

M/s. Deloitte Haskins & Sells., Chartered Accountants, Mumbai will retire as the Auditors of the Company at the conclusion of the Annual General Meeting and they have given a notice for their unwillingness for

re-appointment as the auditors at the forthcoming Annual General Meeting of the Company.

A member of the Company has proposed appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company in place of retiring auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai at the forthcoming Annual General Meeting of the Company. Directors recommend their appointment as Statutory Auditors of the Company.

7. AUDITORS' REPORT:

As regards the observations made by the Auditors as stated in paragraph ix (a) of Annexure to the Auditors' Report on the accounts of the Company, the Directors of the Company state that these delays were due to procedural issues related to electronic transfer process at the banks end. However, the Company has paid appropriate interest on account of delays and as of March 31, 2009 there were no overdue arrears. The Company has taken adequate steps to prevent recurrence of such delays.

As regards the observations made by the Auditors as stated in paragraph xvii of Annexure to the Auditors' Report in respect of short term funds were utilised for long term purpose, the Directors of the Company noted the same.

8. DEPOSITS:

During the year under review the Company has not accepted any deposits from the Public under Section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules.

9. 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.

10. COMPLIANCE CERTIFICATE:

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



DIRECTORS' REPORT TO THE MEMBERS (CONTD.)

11. DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the year ended on that date;
- iii. that the Directors had taken proper and sufficient care 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.

12. 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.

13. ACKNOWLEDGEMENTS:

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

On behalf of the Board of Directors,

MANU PARPIA
Chairman

April 21, 2009
Mumbai

DIRECTORS' REPORT TO THE MEMBERS (CONTD.)

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.

Technology absorption, adaptation and innovation

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

3D PLM 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.

a) 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.

2. 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:

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.

Not Applicable as no imported technology is put to use.

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:

(Amount in Rupees)

	Current Year	Previous year
Total Foreign Exchange used	2,800,095	1,078,285
Total Foreign Exchange earned	1,362,926,819	916,206,251



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 March 31, 2009.

S. No.	Name	Designation	Qualification	Age	Date of Joining	Total Exp. Years	Gross Remuneration in RS.	Previous employment	Nature of employment
1	Shashank Patkar	Sr. VP & CEO - 3D PLM	B.E., MMS	46	07/01/94	22	6,814,252	Geometric Limited	Permanent
2	Sudarshan Mogasale	Senior Director, MatrixOne	B.E.	38	12/16/96	14	3,030,829	Space Applications Centre (ISRO)	Permanent
3	Atul Parulekar	Senior Manager, CATIA	B.Tech, MS (Engg)	44	04/01/02	18	2,402,095	Sheorey Digital Systems Ltd.	Permanent
4	Milind Shastri	Vice President, 3D PLM	B.E., MTECH	45	07/01/94	15	4,007,603	Godrej & Boyce Mfg. Co. Ltd.	Permanent
5	Vishnu Chakraborty	Director, PLM Infra	BSC (General)	40	11/07/94	17	2,502,140	Bharat Forge Ltd.	Permanent
6	Hemant Gadgil	Director, CATIA	B.E., MTECH	48	07/01/94	24	2,847,430	Godrej & Boyce Mfg. Co. Ltd.	Permanent
7	Sameer Atre	Senior Director, ENOVIA	BCS	38	12/18/00	17	2,604,960	Geometric Limited	Permanent

Note:

1. None of the above mentioned employees is a relative of any Director or Manager of the Company.
2. None of the appointments are on contractual basis.

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 March 31, 2009.

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 8th April, 2008, 21st July, 2008, 14th October, 2008, 13th January, 2009 and 28th January, 2009, 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 March 31, 2008 was held on 16th April, 2008, 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 16th March, 2009, 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 with 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 lodgement thereof for transfer.
- (ii) The Company declared Final Dividend during the Financial Year ended March 31, 2008, in its Annual General Meeting held on 16th April, 2008. It also declared Interim Dividend during the Financial Year ended March 31, 2009, on 21st July, 2008 and on 14th October, 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 March 31, 2008, in its Annual General Meeting held on 16th April, 2008. It also declared Interim Dividend during the Financial Year ended March 31, 2009, on 21st July, 2008 and on 14th October, 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 director/s to fill a casual vacancy and the appointment of alternate directors and additional directors during the Financial Year have been duly made. During the year under review, Mr. Venkat Kantheti ceased to be a director on 4th April, 2008. Ms. Juliette Laquerriere and Mr. Jacques Leveille Nizerolle ceased to be directors on 3rd April, 2008. Mr. Manu Parpia, Mr. Bruno Latchague, Mr. Philippe Raphael Laufer, Mr. Jean Philippe Grare, Mr. Milind Sarwate and Dr. Ravi Gopinath were appointed as directors on 8th April, 2008. Dr. Ravi Gopinath resigned on 20th February, 2009. Mr. Christian Marie Jean Nardin, who was appointed as alternate director on 14th October, 2008. He ceased to be alternate director on 9th January, 2009. Mr. Mukul Agarwal was appointed as alternate director to Mr. Jean Philippe Grare, on 9th January, 2009. Mr. Ravishankar Gopalkrishnan was appointed as an additional director with effect from 5th March, 2009.
 15. Mr. Shashank Anant Patkar was appointed as Manager on 8th April, 2008, in compliance with the provisions of Section 269 read with Schedule XIII of the Act. The Company has not appointed any Managing Director or Whole Time Director during the year under review.
 16. The Company has not appointed any Sole Selling Agents during the financial year.
 17. There was no such activity for which the Company was required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the Financial Year.
 20. The Company has not bought back any shares during the Financial Year.
 21. The Company has not issued any Preference Shares or Debentures and hence there was no redemption of Preference Shares or Debentures during the financial year.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, Rights Shares and Bonus Shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year.
 24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the Financial Year ended March 31, 2009, is within the borrowing limits of the Company and the necessary resolution as per Section 293(1)(d) of the Act has been passed in a duly convened Extra-ordinary General Meeting.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Registered Office of the Company from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the Financial Year.
 31. There was no prosecution initiated against 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: April 7, 2009

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 March 31, 2009.

Sr. No.	Document & date	Applicable provision of Companies Act	Challan No./Service Request No. & date
1.	Form No. 23AC & 23ACA in respect of Annual Accounts for the year ended 31.03.2008.	Section 220	No. P19056506 dated 19.05.2008.
2.	Form No. 66 in respect of Secretarial Compliance Certificate for the year ended March 31, 2008.	Section 383A(1)	No. P19056100 dated 19.05.2008.
3.	Form No. DIN 1 in respect of Mr. Jean Philippe Grare	Section 266A	No. A38078861 dated 21.05.2008.
4.	Form No. DIN 1 in respect of Mr. Philippe Raphael Laufer	Section 266A	No. A38078556 dated 21.05.2008.
5.	Form No. 25C in respect of the appointment of Mr. Shashank Anant Patkar as Manager.	Section 269	No. A38027025 dated 21.05.2008.
6.	Form No. 32 in respect of change in designation of Mr. Manu Parpia and the details of Mr. Shashank Anant Patkar as Manager.	Section 303 (2)	No. A38884987 dated 04.06.2008.
7.	Form No. 23 in respect of resolution for the alteration of Article No. 66 of the Articles of Association on 13.07.2007.	Section 192	No. A38886610 dated 11.06.2008.
8.	Form No. 32 in respect of Mr.Venkat Kantheti ceasing to be a director.	Section 303 (2)	No. A39599865 dated 17.06.2008.
9.	Form No. 20B for Annual Return (as per Schedule V) as on 16th April, 2008	Section 159	No. P19477058 dated 17.06.2008.
10.	Form No. DIN 1 in respect of Mr. Philippe Raphael Laufer	Section 266A	No. A44331288 dated 04.09.2008.
11.	Form No. DIN 1 in respect of Mr. Jean Philippe Grare	Section 266A	No. A44331478 dated 04.09.2008.
12.	Form No. 32 in respect of the appointment of Mr. Philippe Raphael Laufer and Mr. Jean Philippe Grare.	Section 303 (2)	No. A45080272 dated 17.09.2008.
13.	Form No. 32 in respect of the appointment of Mr. Christian Marie Jean Nardin as alternate director	Section 303 (2)	No. A49479520 dated 07.11.2008.
14.	Form No. 32 in respect of Mr.Christian Marie Jean Nardin ceasing to be an alternate director and appointment of Mr.Mukul Agarwal as alternate director	Section 303 (2)	No. A55465744 dated 04.02.2009.
15.	Form No. 32 in respect of the resignation of Dr. Ravi Gopinath and appointment of Mr. Ravishankar Gopalkrishnan as an additional director	Section 303 (2)	No. A58107608 dated 17.03.2009.



AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of 3D PLM SOFTWARE SOLUTIONS LIMITED ("the Company") as at March 31, 2009 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 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.

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 March 31, 2009 and taken on record by the Board of Directors we report that none of the directors is disqualified as on March 31, 2009 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 purposes 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 comply 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 March 31, 2009;
 - (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 21, 2009

ANNEXURE TO THE AUDITORS' REPORT

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

- i. 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 in the last 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) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii. The Company does not have any inventories.
- iii. (a) According to 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 paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable.
- (e) According to 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 paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable.
- iv. 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.
- v. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956; to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) 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 (iv) 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.
- vi. 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 .
- vii. 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.
- viii. 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.
- ix. In respect of Statutory dues:
 - (a) According to the information and explanations given to us, the Company has been generally not regular in depositing undisputed statutory dues, including provident fund, customs duty, service tax, income tax, cess and any other material statutory dues 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, 2009. Further, there were no arrears of any statutory dues outstanding as at March 31,



2009 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 dues of income tax, which have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax deducted at Source	389,170	Assessment Year 2003-04	Appellate Tribunal
Income Tax Act, 1961	Income Tax	210,887	Assessment Year 2003-04	Commissioner of Income-tax (Appeals)
Income Tax Act, 1961	Income Tax	704,523	Assessment Year 2005-06	Commissioner of Income-tax (Appeals)

- x. 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.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank and the Company does not have any dues payable to any financial institution or debenture holders.
- xii. 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.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- xv. 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.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the Company has used funds raised on short-term basis for long-term investment. The Company has obtained pre-shipment facility from the bank amounting to Rs. 1,521.60 lakhs which would fall due for repayment within 180 days. The Company has invested this money for the purchase of fixed assets.
- xviii. 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.
- xix. 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.
- xx. 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.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS

Chartered Accountants

Hemant M. Joshi

Partner

Membership No.: 38019

Pune, April 21, 2009

BALANCE SHEET AS AT MARCH 31, 2009

				(Amount in Rupees)	
				As at	As at
				Mar 31, 2009	Mar 31, 2008
SOURCES OF FUNDS:					
1. SHAREHOLDERS' FUNDS					
a) Share Capital	1	12,860,000			12,860,000
b) Reserves and Surplus	2	510,618,645			280,083,077
				523,478,645	292,943,077
2. LOAN FUNDS					
a) Secured Loans	3	352,160,000			-
				352,160,000	-
3. DEFERRED TAX LIABILITY	4			34,866,362	9,137,725
TOTAL				910,505,007	302,080,802

APPLICATION OF FUNDS:

4. FIXED ASSETS	5				
a) Gross Block		1,047,894,541			426,595,419
b) Less: Accumulated Depreciation		358,869,904			280,103,289
c) Net Block		689,024,637			146,492,130
d) Capital Work-in-Progress (including Capital Advance)		44,383,314			-
				733,407,951	146,492,130
5. INVESTMENTS	6			70,002,180	98,000,000
6. CURRENT ASSETS, LOANS AND ADVANCES	7				
a) Sundry Debtors		172,148,350			139,751,773
b) Cash and Bank Balances		69,801,981			14,533,047
c) Other Current Assets		850,419			449,804
d) Loans and Advances		162,716,193			66,891,683
		405,516,943			221,626,307
7. Less: CURRENT LIABILITIES AND PROVISIONS	8				
a) Current Liabilities		273,307,915			158,234,357
b) Provisions		25,114,152			5,803,278
		298,422,067			164,037,635
8. NET CURRENT ASSETS				107,094,876	57,588,672
TOTAL				910,505,007	302,080,802

NOTES TO ACCOUNTS

11

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

As per our Report attached

Signatures to the Balance Sheet and Schedules 1 to 8 and 11.

For and on behalf of
DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Hemant M. Joshi
PARTNER

Manu Parpia
Chairman

Mukul Agarwal
Alternate Director to Jean-Philippe Grare

Shashank Patkar
Manager & CEO

Place: Mumbai

Date: April 21, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

				(Amount in Rupees)	
		SCHEDULE	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008	
INCOME:					
1.	Sales - Software Packages & Services		1,363,988,574	898,811,307	
2.	Other Income	9	6,010,055	2,389,053	
			1,369,998,629	901,200,360	
EXPENDITURE:					
3.	Operating and Other Expenses	10	821,185,629	572,635,662	
4.	Depreciation/Amortisation		91,307,486	87,095,924	
			912,493,115	659,731,586	
PROFIT BEFORE TAX AND PRIOR PERIOD ITEMS:			457,505,514	241,468,774	
5.	Provision For Taxes				
(a)	Current Taxes		50,288,510	26,958,038	
(b)	Mat credit eligible for set off		(50,180,795)	(26,784,488)	
(b)	Deferred Taxes		25,728,637	5,554,887	
(c)	Fringe Benefit Tax		3,310,678	2,039,204	
			29,147,030	7,767,641	
PROFIT AFTER TAX & BEFORE PRIOR PERIOD ITEMS:			428,358,484	233,701,133	
6.	Prior Period Item		(995,672)	184,566	
	(Refer Note 19 of Notes to Accounts)				
PROFIT AFTER TAX:			427,362,812	233,885,699	
7.	Surplus Brought Forward		184,843,369	111,918,024	
PROFIT AVAILABLE FOR APPROPRIATION:			612,206,181	345,803,723	
APPROPRIATIONS:					
1.	Dividend				
-	Interim		96,450,000	115,740,000	
-	Final		-	-	
2.	Dividend Tax		16,391,678	20,720,354	
3.	Transfer to General Reserve		42,750,000	24,500,000	
4.	Surplus Carried Forward		456,614,503	184,843,369	
TOTAL			612,206,181	345,803,723	
EARNINGS PER EQUITY SHARE					
(Face value Rs. 10 each)					
Refer Schedule 11: Note 17					
	Basic		333.09	181.73	
	Diluted		333.09	181.73	

NOTES TO ACCOUNTS

11

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

As per our Report attached

Signatures to the Profit and Loss Account and Schedules 9 to 11.

For and on behalf of

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Hemant M. Joshi
PARTNER

Manu Parpia
Chairman

Mukul Agarwal
Alternate Director to Jean-Philippe Grare

Shashank Patkar
Manager & CEO

Place: Mumbai

Date: April 21, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

		(Amount in Rupees)	
		Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax & Prior Period item		457,505,514	241,468,774
Less: Prior Period Item		(995,672)	184,566
Adjustment for:			
Depreciation	91,307,486		87,095,924
(Profit)/Loss on Sale of Fixed Assets	451,300		217,531
(Profit)/Loss on Sale of Investments	(194,872)		(31,223)
Interest Expense	155,333		22,494
Interest Income	(817,248)		(500,184)
Dividend Income	(4,997,822)		(1,507,890)
(Including Rs. 4,199,338 Reinvested; - previous year Rs. 1,492,934)			
Unrealised (gain)/loss on cash and cash equivalent	(18,612,215)		(20,801,198)
		67,291,962	64,495,454
Operating Cash Flows Before Working Capital Changes		523,801,804	306,148,794
Working Capital Changes:			
Sundry Debtors	(32,396,577)		(68,742,959)
Loans and Advances	(45,643,715)		32,246,667
Other Current Assets	-		(110,635)
Adjustment for Revaluation of Cash Flow Hedges	(83,985,566)		(3,160,292)
Current Liabilities and Provisions	118,071,772		3,134,367
		(43,954,086)	(36,632,852)
Cash Generated from Operations		479,847,718	269,515,942
Income Taxes Paid		(37,381,583)	(27,664,941)
Current Taxes			
Fringe Benefit Taxes			
Net Cash Flow from Operating Activities		442,466,135	241,851,000
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(684,955,494)		(74,066,720)
Sale of Fixed Assets	6,280,886		-
Purchase/Reinvestment of Investments	(1,518,699,338)		(866,192,934)
(Including Rs. 4,199,338 Reinvested; - previous year Rs. 1,492,934)			
Trade Investments	-		-
Sale of Investments	1,546,892,027		827,655,900
Dividend Received	4,997,822		1,507,890
(Including Rs. 4,199,338 Reinvested; - previous year Rs. 1,492,934)			
Interest Received	416,633		161,015
Net Cash Used in Investing Activities		(645,067,464)	(110,934,849)
Balance carried forward		(202,601,329)	130,916,152



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Amount in Rupees)		
	Year Ended Mar 31, 2009	Year Ended Mar 31, 2008
Balance Brought Forward	(202,601,329)	130,916,152
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings from Bank	352,160,000	-
Interest Paid	(60,274)	(22,494)
Dividend Paid	(96,450,000)	(151,105,000)
Dividend Tax Paid	(16,391,678)	(25,680,295)
Net Cash from Financing Activities	239,258,048	(176,807,789)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	36,656,719	(45,891,637)
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR		
Cash and Bank Balances	14,533,047	39,623,486
AS AT THE END OF THE PERIOD		
Cash and Bank Balances	69,801,981	14,533,047
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(18,612,215)	(20,801,198)
	51,189,766	(6,268,151)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	36,656,719	(45,891,637)

For and on behalf of
DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS

Hemant M. Joshi
 PARTNER

Place: Mumbai
 Date: April 21, 2009

For and on behalf of the Board

Manu Parpia
 Chairman

Mukul Agarwal
 Alternate Director to Jean-Philippe Grare

Shashank Patkar
 Manager & CEO

SCHEDULES FORMING PART OF THE ACCOUNTS

		(Amount in Rupees)	
		As at Mar 31, 2009	As at Mar 31, 2008
SCHEDULE 1: SHARE CAPITAL			
1. AUTHORISED:			
2,000,000 Equity shares of Rs. 10/- each.		20,000,000	20,000,000
(Previous year 2,000,000 Equity Shares)			
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 Limited (Formerly Geometric Software Solutions Co. Ltd.), the Holding Company.			
TOTAL		12,860,000	12,860,000
SCHEDULE 2: RESERVES AND SURPLUS			
1. GENERAL RESERVE			
As per last Balance Sheet	98,400,000		73,900,000
Add:			
Transfer from Profit and Loss Account	42,750,000		24,500,000
		141,150,000	98,400,000
2. CASH FLOW HEDGING RESERVE		(87,145,858)	(3,160,292)
(Refer Schedule 11: Note 5)			
		54,004,142	95,239,708
3. PROFIT AND LOSS ACCOUNT		456,614,503	184,843,369
TOTAL		510,618,645	280,083,077
SCHEDULE 3: SECURED LOANS			
1. BORROWINGS FROM BANKS			
a) Term Loans		200,000,000	-
(Secured by an equitable mortgage on commercial premises and a corporate guarantee from Geometric Limited (Holding Company)).			
b) Preshipment Finance		152,160,000	-
(Secured by hypothecation of book debts) and a corporate guarantee from Geometric Limited (Holding Company))			
TOTAL		352,160,000	-
SCHEDULE 4: DEFERRED TAX LIABILITY			
Deferred Tax Liability as at April 1, 2008		9,137,725	3,582,838
Deferred Tax Liability for current period		25,728,637	5,554,887
Deferred Tax Liability as at March 31, 2009		34,866,362	9,137,725



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 5: FIXED ASSETS

ASSET	(Amount in Rupees)									
	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at March 31, 2008	Additions	Deductions	As at March 31, 2009	Upto March 31, 2008	For the Period	On Deductions	Upto March 31, 2009	As at March 31, 2009	As at March 31, 2008
Leasehold Land #	-	257,317,200	-	257,317,200	-	235,423	-	235,423	257,081,777	-
Buildings#	-	158,221,566	-	158,221,566	-	447,353	-	447,353	157,774,213	-
Leasehold Improvement	-	-	-	-	-	-	-	-	-	-
Computers	385,036,566	115,192,854	9,324,514	490,904,906	264,153,968	83,491,667	8,873,215	338,772,420	152,132,486	120,882,598
Electrical Installations	9,018,065	45,443,985	-	54,462,050	4,036,203	1,524,984	-	5,561,187	48,900,863	4,981,862
Office Equipment and EPABX System	5,930,538	5,679,965	-	11,610,503	1,816,460	531,808	-	2,348,268	9,262,235	4,114,078
Furniture and Fixtures	20,274,415	49,817,894	9,948,544	60,143,765	6,288,126	1,526,813	3,667,656	4,147,283	55,996,482	13,986,289
Intangible Assets:										
- Computer Software	6,335,835	8,898,716	-	15,234,551	3,808,532	3,549,438	-	7,357,970	7,876,581	2,527,303
TOTAL	426,595,419	640,572,180	19,273,058	1,047,894,541	280,103,289	91,307,486	12,540,871	358,869,904	689,024,637	146,492,130
Previous year	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
Capital Work-in-Progress including Capital Advances of Rs. 17,116,086 (Previous year Rs. Nil)										
TOTAL									44,383,314	-
# Bank Charge pending to be created.									733,407,951	146,492,130

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 6: INVESTMENTS

Previous Year Nos.	Current Year Nos.		Face Value Rs.		As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
1. IN UNITS OF MUTUAL FUNDS						
Long term (At cost)						
Quoted, Non Trade						
3,500,000	3,500,000	Kotak FMP 14 M Series 3 Institutional -Growth Plan	10	35,000,000		35,000,000
3,500,000		- Purchased During the Year				
-		- Dividend Reinvested during the year				
-		- Sold During the Year				
2,000,000	2,000,000	Lotus India Fixed Maturity Plan 14 Months	10	20,000,000		20,000,000
2,000,000		- Purchased During the Year				
-		- Dividend Reinvested during the year				
-		- Sold During the Year			55,000,000	
2. IN UNITS OF MUTUAL FUNDS						
Current Investments (At lower of cost or market value)						
Quoted, Non Trade						
-		- Birla Sun Life Sweep Fund	10	-		-
		Daily Dividend Reinvestment				
69,284,651	98,798,570	Purchased During the Year				
80,442	52,527	Dividend Reinvested during the year				
72,690,868	98,851,097	Sold During the Year				
-		- DSP Merrill Lynch Liquidity Fund-Regular	10	-		-
		Daily Dividend Reinvestment				
19,996		Purchased During the Year				
18,360		Dividend Reinvested during the year				
2,635,572		Sold During the Year				
		HDFC Cash Management Fund - Savings Plus				
-		- Plan - Wholesale Plan	10	-		-
		Daily Dividend Reinvestment				
1,993,719	4,984,299	Purchased During the Year				
18,627	36,110	Dividend Reinvested during the year				
2,012,346	5,020,409	Sold During the Year				
-		- Reliance Liquid Plus Fund - Institutional Option	1000	-		-
		Daily Dividend Reinvestment				
9,992	18,699	Purchased During the Year				
92	19	Dividend Reinvested during the year				
10,083	18,718	Sold During the Year				
-		- Birla Sun Life Liquid Plus Retail Option	10	-		-
1,896,957	2,498,301	Purchased During the Year				
6,772	4,206	Dividend Reinvested during the year				
1,903,729	2,502,507	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				



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 6: INVESTMENTS (Contd.)

Previous Year	Current Year	Face Value	As at March 31, 2009	As at March 31, 2008
Nos.	Nos.	Rs.	Rupees	Rupees
-	2,500,000	Sold During the Year		
1,713,780	-	Tata Dynamic Bond Fund	10	-
1,800,000	-	Purchased During the Year		18,000,000
-	11,056	Dividend Reinvested during the year		
-	1,724,835	Sold During the Year		
-	-	Tata Floater Fund	10	-
-	9,765,959	Purchased During the Year		
-	35,394	Dividend Reinvested during the year		
-	9,801,353	Sold During the Year		
-	1,388,795	Birla Cash Plus Fund	10	15,002,180
-	3,240,051	Purchased During the Year		
-	9,295	Dividend Reinvested during the year		
-	1,860,550	Sold During the Year		
-	-	Fidelity Liquid Plus - IP - Daily Dividend	10	-
-	2,999,370	Purchased During the Year		
-	47,656	Dividend Reinvested during the year		
-	3,047,026	Sold During the Year		
-	-	ICICI Prudential Liquid plan - Institutional - Plan		
-	-	Daily Dividend Reinvest	10	-
-	2,211,562	Purchased During the Year		
-	12,932	Dividend Reinvested during the year		
-	2,224,494	Sold During the Year		
-	-	Reliance Medium Term Fund - Daily Dividend Plan	10	-
-	3,802,862	Purchased During the Year		
-	38,553	Dividend Reinvested during the year		
-	3,841,415	Sold During the Year		
-	-	HDFC FMP 90D JULY 2008 (VIII) (1)	10	-
-	500,000	Purchased During the Year		
-	-	Dividend Reinvested during the year		
-	500,000	Sold During the Year		
-	-	Lotus India Quarterly Interval Fund - Plan H - IP - DR	10	-
-	1,000,000	Purchased During the Year		
-	21,600	Dividend Reinvested during the year		
-	1,021,600	Sold During the Year		
-	-	Birla Sun Life Short Term Fund	10	-
-	5,496,977	Purchased During the Year		
-	58,381	Dividend Reinvested during the year		
-	5,555,358	Sold During the Year		
-	-	HDFC Fixed Maturity Plans - Series IX	10	-
-	1,000,000	Purchased During the Year		
-	-	Dividend Reinvested during the year		
-	1,000,000	Sold During the Year		

SCHEDULES FORMING PART OF THE ACCOUNTS

Previous Year Nos.	Current Year Nos.	Face Value Rs.		As at March 31, 2009 Rupees	As at March 31, 2008 Rupees
-	Reliance Liquid Fund - Treasury Plan- - Institutional Option 3,924,852 Purchased During the Year 11,244 Dividend Reinvested during the year 3,936,096 Sold During the Year	10	-	-	-
-	IDFC Liquid Plus Fund -Treasury Plan - Institutional Plan B 2,979,057 Purchased During the Year 21,008 Dividend Reinvested during the year 3,000,065 Sold During the Year	10	-	-	-
-	TATA Liquid Fund 17,945 Purchased During the Year 7 Dividend Reinvested during the year 17,951 Sold During the Year	10	-	-	-
-	JM High Liquidity Fund Institutional Plan 998,413 Purchased During the Year 550 Dividend Reinvested during the year 998,962 Sold During the Year	10	-	-	-
-	JM Money Manager Fund Super Plus Plan 1,000,021 Purchased During the Year 17,033 Dividend Reinvested during the year 1,017,054 Sold During the Year	10	-	-	-
-	RELIANCE MONEY MANAGER FUND - IP - DAILY DIVIDEND PLAN 19,977 Purchased During the Year 25 Dividend Reinvested during the year 20,002 Sold During the Year		-	15,002,180	
TOTAL BOOK VALUE OF INVESTMENTS				70,002,180	98,000,000
2. PROVISION FOR DEPLETION IN VALUE OF INVESTMENTS				-	-
TOTAL				70,002,180	98,000,000
Aggregate Book Value of Investments:					
Quoted				70,002,180	98,000,000
Unquoted				-	-
TOTAL				70,002,180	98,000,000
Market Value of Quoted Non-Trade Investments				73,523,380	99,688,000



SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)		
	As at Mar 31, 2009	As at Mar 31, 2008
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	87,711	-
b) Other Debts	172,060,639	139,751,773
Includes Rs. 434,990 (Previous year Rs. 601,054) due to Geometric Americas, Inc. USA, a Company under the same Management		
	172,148,350	139,751,773
c) Less: Provision for Doubtful Debts	-	-
	172,148,350	139,751,773
2. CASH AND BANK BALANCES		
a) Cash in Hand	-	-
b) Remittance in Transit	-	1,941,539
c) Balances with Scheduled Banks		
- In Current Accounts	54,604,923	6,561,508
- In Deposit Accounts	15,197,058	6,030,000
(Pledged with bankers for obtaining bank guarantees Rs. 4,970,000; Previous year Rs. 6,030,000)		
	69,801,981	14,533,047
3. OTHER CURRENT ASSETS		
a) Accrued Interest	850,419	449,804
	850,419	449,804
4. 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 Rs. 1,751,884; Previous year Rs. 2,454,144)	50,861,489	7,688,521
b) Balances With Excise Authorities	9,995,483	-
c) Sundry Deposits	24,893,938	29,845,605
d) MAT credit entitlement	76,965,283	26,784,488
	162,716,193	64,318,614
e) Unrealized Forward Exchange Contracts Discount (Premium)	-	2,573,069
	162,716,193	66,891,683
TOTAL	405,516,943	221,626,307

SCHEDULES FORMING PART OF THE ACCOUNTS

		(Amount in Rupees)	
		As at	As at
		March 31, 2009	March 31, 2008
SCHEDULE 8: CURRENT LIABILITIES AND PROVISIONS			
1. CURRENT LIABILITIES			
a)	Total outstanding dues of micro enterprises and small enterprises; and (Refer Schedule 12, Note No. 9)	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	47,672,573	1,525,888
	Includes Rs. 555,667 (Previous year Rs. Nil) due to Geometric Americas, Inc. USA, a Company under the same Management		
b)	Advances from Customers	98,600	14,219,352
c)	Loss on Cash Flow Hedges	87,145,858	3,160,292
d)	Other Liabilities	138,390,884	139,328,825
		273,307,915	158,234,357
2. PROVISIONS			
a)	For Taxation (Net of Advance Taxes Rs. 66,207,554 (previous year Rs. 31,559,942))	15,740,610	99,712
b)	For Fringe Benefit Tax (Net of Advance Taxes 7,778,928 (Previous year Rs. 5,044,951))	1,259,580	682,874
c)	For Gratuity	8,113,962	5,020,692
		25,114,152	5,803,278
TOTAL		298,422,067	164,037,635



SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rupees)

	Year Ended March 31, 2009	Year Ended March 31, 2008
SCHEDULE 9: OTHER INCOME		
1. Dividends	4,997,822	1,507,890
2. Gain/(Loss) on Exchange Fluctuation (Net)		
3. Interest on Advances and Deposits (Tax Deducted at Source Rs. 31,783; Previous year Rs. Nil)	817,248	500,184
4. Profit on Sale of Investments	194,872	31,223
5. Profit on Sale of Assets	113	-
6. Miscellaneous Income	-	325,448
7. Discount Received	-	24,308
TOTAL	6,010,055	2,389,053

SCHEDULE 10: OPERATING AND OTHER EXPENSES

1. Personnel Expenses		
Salaries, Bonus and Allowances	546,062,644	426,072,769
Contribution to Provident and Other Funds	31,307,080	22,386,078
Staff Welfare Expenses	15,718,596	11,264,919
2. Software Tools and Packages	6,116,415	8,601,268
3. Electricity Expenses	22,024,138	20,534,932
4. Rates and Taxes	-	-
5. Rent and Service Charges	72,422,050	59,255,175
6. Repairs and Maintenance		
a) Computers	5,882,153	5,400,011
b) Buildings	724,364	3,887,311
c) Others	3,027,149	7,610,045
	9,633,666	16,897,367
7. Insurance	2,881,853	2,419,505
8. Travelling and Conveyance Expenses	9,527,653	8,287,212
9. Communication Expenses	1,076,381	1,299,006
10. Legal and Professional Charges	4,571,279	4,162,318
11. Staff Recruitment Expenses	139,013	1,565,710
12. Royalty	-	-
13. Miscellaneous Expenses	17,469,292	6,870,741
14. Interest expenses	155,333	-
15. Lease Rent - Computers	16,319,728	17,773,532
16. Loss on Sale of Assets	451,300	217,531
17. (Gain)/Loss on Exchange Fluctuation (Net)	65,309,208	(34,972,401)
TOTAL	821,185,629	572,635,662

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULES 11: NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

The financial statements have been prepared on under the historical cost convention on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and comply with the accounting standards as stated in the Companies (Accounting Standards) Rules 2006, to the extent applicable.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets, liabilities, and disclosure of contingent liabilities at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are prudent and based on management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing the accompanying financial statements.

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. Lease hold land has been depreciated over the period of lease. The Management's estimate of useful lives for various fixed assets is as under:

Asset	Useful Life Of Asset in Years
Building	28
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 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.

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.

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.



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

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 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 liabilities is recognised 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 recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the employee renders the related service.

a) Post Employment benefits:

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) Compensated Absences:

The Company has classified compensated absences as short-term benefits and has measured the expected cost of accumulating compensated absences as the additional amount that the enterprise expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date.

(ii) Long Term Employee Benefits:

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 recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised 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 recognises 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 recognised for –

- A. Any possible obligation that arises from past events and the existence of which will be

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

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 recognised 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 recognised in the financial statements since this may result in the recognition of income that may never be realised.

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-

j) Business Segment:

The Company is exclusively engaged in the business of Software Development. This, in context of Accounting Standard 17 on Segment Reporting as stated in the Companies (Accounting Standards) Rules 2006 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 is Rs. 17,116,086 (Previous year Rs. Nil/-)) to the extent not provided for Rs. 54,899,634 (Previous year Rs. 2,356,128/-).

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. Nil (Previous year Rs. 1,106,239).

3. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debt Rs. 1,295,580/- (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.

As at Mar 2009, the contingent Liability under the guarantees given by the Company amount to Rs. 4,965,000/- (Previous year Rs. Nil)

4. DUES TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

5. FOREIGN EXCHANGE HEDGING

The Company uses forward exchange contracts to hedge its net foreign exchange exposure. As at March 31, 2009, the Company had 67 outstanding forward exchange contracts to sell foreign currency aggregating to US Dollars 21,645,000 at an average rate of Rs. 47.29 per US Dollar. The Company does not use any foreign exchange options.

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



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

Particulars	Rs.	Foreign currency	
		Year ended March 31, 2009	Year ended March 31, 2008
Debtors	171,973,286 (Previous year 132,308,341)	USD 3,383,982 EUR 5,000	USD 3,289,687
Cash/Bank balances	30,144,627 (Previous year 2,704,361)	USD 593,743	USD 61,790
Secured loan	152,160,000 (Previous year Nil)	USD 3,000,000	Nil

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" as stated in the Companies (Accounting Standards) Rules, 2006.

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 Rupees)

Particulars	Year ended	
	March 31, 2009	March 31, 2008
Depreciation on Fixed Assets	25,728,637	9,137,725
Net Deferred Tax Liability/(Asset)	25,728,637	9,137,725

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.

8. RELATED PARTY TRANSACTIONS

A. Related parties and their Relationships

- a) Holding Company –
Geometric Limited
- b) Parties Having Substantial Interest –
Dassault Systèmes
- c) Parties Exercising Significant Influence–
Abaqus inc.
Dassault Data Services
Dassault Systèmes Deutsch
Dassault Systèmes Enovia
(formerly Matrixone Inc)
Dassault Systèmes India P.
Dassault Systèmes K.K.
Dassault Systèmes of America
Dassault Systèmes Service
Dassault Systèmes Singapore
Geometric Americas Inc.
Godrej and Boyce Manufacturing Company Limited
SmarTeam Corp Ltd.
Solid works Corporation
Spatial Corporation
- d) Key Management Personnel
Manu Parpia, Chairman
(There are no transactions with Key Management Personnel)

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

B. Transactions with Related Parties (Amounts in Rupees)

Nature of Transaction	Holding Company	Parties Having Substantial Interest	Parties Exercising Significant Influence
a) Sales – Software Services	Nil (228,866)(Cr.)	501,716,704 (Cr.) (378,786,257)(Cr.)	862,271,870 (Cr.) (516,033,989)(Cr.)
b) Purchase of Fixed Assets	513,766,918 (Dr.) (Nil)	Nil (Nil)	Nil (1,323,719)(Dr.)
c) Sale of Fixed Assets	7,066,125 (Cr.) (Nil)	Nil (Nil)	Nil (Nil)
c) Dividend Paid	67,515,000 (Dr.) (105,773,500) (Dr.)	28,935,000 (Dr.) (45,331,500) (Dr.)	Nil (Nil)
d) Rent & Expenses towards Leased Premises	45,046,684 (Dr.) (30,457,865)(Dr.)	Nil (Nil)	11,758,110 (Dr.) (12,329,040)(Dr.)
e) Advances Received	Nil (Nil)	13,580,741 (Cr.) (52,653,789)(Cr.)	2,253,097 (Cr.) (Nil)
f) Reimbursement of Expenses	52,297,312 (Dr.) (58,304,014)(Dr.)	12,127,914 (Cr.) (21,322,628)(Dr.)	47,452,425 (Cr.) (28,870,958)(Dr.)
g) Advances Paid	Nil (Nil)	Nil (Nil)	4,909,885 (Dr.) (Nil)
h) Bad Debts Written Off	Nil (Nil)	Nil (Nil)	Nil (Nil)
i) Other Expenses	Nil (Nil)	Nil (Nil)	178,683 (Dr.) (223,445)(Dr.)
j) Software development chg-Subcontract	481,600 (Dr.) (Nil)	Nil (Nil)	Nil (Nil)
Balances as on Balance Sheet Date: 31.03.2009	18,750,569 (Cr.) (184,128) (Dr.)	83,523,686 (Dr.) (71,959,568) (Dr.)	90,959,311 (Dr.) (60,950,778) (Dr.)

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



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

Out of the above items transactions with Holding companies, parties having substantial interest and parties exercising significant influence in the excess of 10% of the total related party transactions are as under.

Transactions	For the Year ended March 31, 2009	For the Year ended March 31, 2008
Sales - Software Services		
Parties Having Substantial Interest		
Dassault Systèmes	501,716,704	351,889,578
Parties Exercising Significant Influence		
Dassault Systèmes of America	359,342,862	247,898,315
Dassault Systèmes Enovia	252,744,434	Nil
Purchase of Fixed Assets		
Holding Company		
Geometric Limited	513,766,918	Nil
Parties Exercising Significant Influence		
Godrej & Boyce Mfg. Co. Ltd.	Nil	1,323,719
Sale of Fixed Assets		
Holding Company		
Geometric Limited	7,066,125	Nil
Dividend Paid		
Holding Company		
Geometric Limited	67,515,000	105,773,500
Parties Having Substantial Interest		
Dassault Systèmes	28,935,000	45,331,500
Rent & Expenses		
Holding Company		
Geometric Limited	45,046,684	30,457,865
Parties Exercising Significant Influence		
Godrej & Boyce Mfg. Co. Ltd.	11,758,110	12,329,040
Advances Received		
Parties Having Substantial Interest		
Dassault Systèmes	13,580,741	52,653,789
Reimbursement of expenses		
Holding Company		
Geometric Limited	52,297,312	58,304,014
Parties Having Substantial Interest		
Dassault Systèmes	25,708,655	21,322,628
Parties Exercising Significant Influence		
Solidworks Corporation	13,221,160	12,268,603
Dassault Systèmes of America	23,160,732	Nil
Advances Paid		
Parties Exercising Significant Influence		
Godrej & Boyce Mfg. Co. Ltd.	4,909,885	Nil
Other Expenses		
Parties Exercising Significant Influence		
Godrej & Boyce Mfg. Co. Ltd.	178,683	223,445
Software Development Charges sub contract		
Holding Company		
Geometric Limited	481,600	Nil

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

9. PRIOR PERIOD AND EXTRAORDINARY ITEMS

Prior period item for the current year represents rent payable to Geometric Limited, the holding company.

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".

(Amount in Rupees)

	Year Ended March 31, 2009	Year Ended March 31, 2008
1. Lease Rental Expenses	58,764,105	56,283,519
2. Future Lease Obligations		
Due within one year	26,538,265	41,746,563
Due between one year and five years	19,268,849	13,574,177
Due after five years	Nil	Nil

11. AUDITORS' REMUNERATION

a) Audit Fees	726,220	730,340
b) Reimbursement of Expenses	161,212	6,718
c) Certification Fees	28,090	-
TOTAL	915,522	737,058

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

a) Capital Goods	63,999,384	28,672,234
Software Packages and Software Tools	-	-
TOTAL	63,999,384	28,672,234

13. EXPENDITURE IN FOREIGN CURRENCY

a) Professional Fees	14,029	-
b) Onsite Salary	314,519	-
c) Software Packages and Tools	116,055	-
d) Others	2,355,492	1,078,285
e) Royalty	-	-
TOTAL	2,800,095	1,078,285

14. EARNINGS IN FOREIGN CURRENCY

a) Income from Software Development and Sale of Software	1,362,926,819	897,344,404
b) Others	-	18,861,847
TOTAL	1,362,926,819	916,206,251



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: 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.17,285,998 has been included in Schedule 10 under Personnel Expenses - Contribution to Provident and Other Funds.

ii) Defined Benefit Plans

Gratuity cost amounting to Rs. 8,113,962 and contribution to Superannuation Fund amounting to Rs. 4,090,595 have been included in Schedule 10 under Personnel Expenses - Contribution to Provident and Other Funds.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

15. EMPLOYEE BENEFITS (Contd.)

The amounts recognised in the Company's financial statements as at the year ended March 31, 2009 are as under:

		(Amount in Rupees)	
		Gratuity (Funded)	
		Year Ended March 31, 2009	Year Ended March 31, 2008
a)	Change in Present Value of Obligation		
	Present value of the obligation as at 01.04.2008	19,560,328	14,196,703
	Current Service Cost	7,950,347	2,681,812
	Interest Cost	1,534,704	1,080,296
	Actuarial (Gain)/Loss on Obligation	261,314	2,987,531
	Benefits Paid	(753,058)	(1,386,014)
	Past Service Cost		
	Amalgamations		
	Curtailments		
	Settlements		
	Present value of the obligation as at 31.03.2009	28,553,635	19,560,328
b)	Change in Plan Assets		
	Fair value of Plan Assets as at 01.04.2008	14,539,636	11,427,830
	Expected return on Plan Assets	1,220,208	1,038,699
	Actuarial Gain/(Loss) on Plan Assets	3,253,889	(1,017,167)
	Contributions by the Employer	2,178,998	4,476,288
	Benefits Paid	(753,058)	(1,386,014)
	Fair value of Plan Assets as at 31.03.2009	20,439,673	14,539,636
c)	Amounts Recognised in the Balance Sheet		
	Present value of Obligation as at 31.03.2009	28,553,635	19,560,328
	Unrecognised Past Service Cost		
	Fair value of Plan Assets at the end of the year	20,439,673	14,539,636
	Net Obligation as at 31.03.2009	8,113,962	5,020,692
d)	Amounts Recognised in the statement of Profit and Loss:		
	Current Service Cost	7,950,347	2,681,812
	Interest cost on Obligation	1,534,704	1,080,296
	Expected return on Plan Assets	(1,220,208)	(1,038,699)
	Expected return on Reimbursement Right recognised as an asset		
	Net Actuarial (Gain)/Loss recognised in the period	(2,992,575)	4,004,698
	Past Service Cost	-	2,768,873
	Effect of Curtailment or Settlement		
	Net Cost Included in Personnel Expenses	5,272,268	9,496,980
e)	Actual return on Plan Assets	4,474,097	21,532
f)	Estimated contribution to be made in next financial year		
g)	Actuarial Assumptions		
i)	Discount Rate	7.20 % P.A.	8% P.A.
ii)	Expected Rate of Return on Plan Assets	8% P.A.	8% P.A.
iii)	Salary Escalation Rate	7% P.A.	9% P.A.
iv)	Employee Turnover	10% P.A.	10% P.A.
v)	Mortality	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE
vi)	Expected Average Remaining Working lives of Employees (Years)	9.40	-
	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.		



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: NOTES TO ACCOUNTS (Contd.)

		(Amount in Rupees)	
		Year Ended March 31, 2009	Year Ended March 31, 2008
16. DIVIDENDS REMITTED IN FOREIGN CURRENCY			
a)	Dividend for the period ended March 31, 2009, to one non-resident shareholder on 385,800 shares	28,935,000	
b)	Dividend for the year ended March 31, 2008,		45,331,500
TOTAL		28,935,000	45,331,500
17. EARNINGS PER SHARE			
a)	Net Profit/(Loss) after Tax	428,358,484	233,701,133
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	333.09	181.73
	Diluted	333.09	181.73
18. REVENUE RECOGNITION			
	Current liabilities include "Deferred Revenue" amounting to Rs. 33,246,885 , on account of upfront invoice made on Dassault Systems towards the charges to be made in the future.		
19. GENERAL			
a)	Figures for the previous year have been regrouped/restated wherever necessary to conform to current year's presentation.		
b)	Other information required by Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.		

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 11: 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.	:	U72900MH2001PLC134244
State Code	:	11
Balance Sheet Date	:	March 31, 2009

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	:	910,505
Total Assets	:	910,505

Sources of Funds

Paid-up Capital	:	12,860
Reserves and Surplus	:	510,619
Secured Loans	:	352,160
Unsecured Loans	:	-
Deferred Tax Liability	:	34,866

Application of Funds

Net Fixed Assets	:	733,408
Investments	:	70,002
Net Current Assets	:	107,095
Misc. Expenditure	:	-
Accumulated Losses	:	-

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

Turnover	:	1,369,999
Total Expenditure	:	912,493
Profit / (Loss) Before Tax	:	457,506
Profit / (Loss) After Tax	:	427,362
Earning Per Share in Rs.	:	333.09
Dividend Rate %	:	-

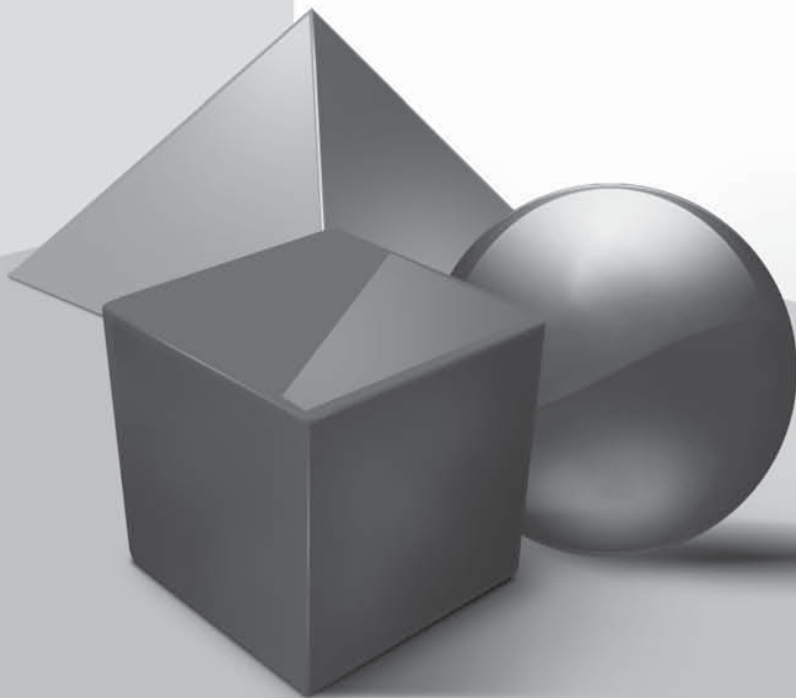
V. Generic Names of 3 Principal Products / Services of Company:

(As per monetary terms)

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

Geometric Technologies, Inc.

Annual Report and Accounts
for the year ended March 31, 2009



Regd. Office:

16121 N 78th Street
Suite 101, Scottsdale, AZ 85260, USA

DIRECTORS' REPORT

To The Members

The Directors hereby present their Report of the Company for the year ended March 31, 2009.

1. OPERATIONS

During the year 17.74 % shares of the Company held by Geometric Americas, Inc. were purchased by Geometric Limited, consequently making the Company wholly owned subsidiary of the Geometric Limited. Further during the year the entire stake of Geometric Americas, Inc. was purchased by the Company thus making Geometric Americas, Inc. wholly owned subsidiary of the Company. The Company registered total revenue of USD 5,080,525 which resulted in a net profit of USD 106,618.

2. SHARE CAPITAL

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

3. DIVIDENDS

The Directors do not recommend any Dividend.

4. SUBSIDIARY

During the year Geometric Technologies Inc. became a wholly owned subsidiary of Geometric Limited and Geometric Americas Inc. became a wholly owned subsidiary of Geometric Technologies Inc.

5. FUTURE OUTLOOK

The Company expects to perform better in the coming years.

By Order of the Board
Manu Parpia

August 25, 2009

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, 2009 and 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. We further report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

c) In our opinion, the Balance Sheet, Profit and Loss Account and 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).

d) 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, 2009;

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 AND ASSOCIATES
CHARTERED ACCOUNTANTS

ANIL A. KULKARNI
PARTNER

Pune : August 25, 2009

M. No.: 47576



BALANCE SHEET AS AT MARCH 31, 2009

	SCHEDULE	Current Year US Dollars	Current Year Equivalent INR	Previous Year US Dollars	Previous Year Equivalent INR
SOURCES OF FUNDS:					
1. SHAREHOLDERS' FUNDS					
a) Share Capital	1	2,062,771	104,623,745	2,062,771	82,180,797
b) Reserves And Surplus	2	677,963	34,386,283	571,345	22,762,385
		2,740,734	139,010,028	2,634,116	104,943,181
2. LOAN FUNDS					
a) Unsecured Loans	3	1,601,841	81,245,376	45,529	1,813,875
TOTAL		4,342,575	220,255,404	2,679,645	106,757,057
APPLICATION OF FUNDS:					
3. FIXED ASSETS	4				
a) Gross Block		3,343,197	169,566,952	3,330,309	132,679,511
b) Less: Depreciation		1,591,050	80,698,056	1,277,802	50,907,632
c) Net Block		1,752,147	88,868,896	2,052,507	81,771,879
4. INVESTMENTS	5	2,620,000	132,886,400	-	-
5. CURRENT ASSETS, LOANS AND ADVANCES	6				
a) Sundry Debtors		975,005	49,452,254	1,003,425	39,976,452
b) Cash And Bank Balances		470,560	23,866,803	1,023,485	40,775,642
c) Loans And Advances		92,131	4,672,884	159,863	6,368,942
		1,537,696	77,991,941	2,186,773	87,121,036
6. Less: CURRENT LIABILITIES AND PROVISIONS	7				
a) Current Liabilities		1,517,827	76,984,185	1,454,577	57,950,348
b) Provisions		49,441	2,507,648	105,058	4,185,511
		1,567,268	79,491,833	1,559,635	62,135,858
7. NET CURRENT ASSETS		(29,572)	(1,499,892)	627,138	24,985,178
TOTAL		4,342,575	220,255,404	2,679,645	106,757,057
NOTES TO ACCOUNTS	11				
Exchange rate used for translation 1USD = Rs.			50.72		39.84

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

As per our Report attached

Signatures to the Balance Sheet and Schedules 1 to 7 and 11

For and on behalf of

For and on behalf of the Board

KALYANIWALLA MISTRY AND ASSOCIATES
CHARTERED ACCOUNTANTS

Anil A. Kulkarni
PARTNER

Manu Parpia
Director

Ravishankar G.
Director

Pune: August 25, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	Current Year US Dollars	Current Year Equivalent INR	Previous Year US Dollars	Previous Year Equivalent INR
INCOME:					
1. Sales - Software Packages & Services		4,911,773	249,125,127	5,074,367	202,162,781
2. Other Income	8	168,752	8,559,101	53,113	2,116,022
		5,080,525	257,684,228	5,127,480	204,278,803
EXPENDITURE:					
3. Operating And Other Expenses	9	4,528,085	229,664,471	4,595,144	183,070,537
4. Interest And Finance Charges	10	25,382	1,287,375	24,750	986,040
5. Depreciation		315,765	16,015,601	336,031	13,387,475
		4,869,232	246,967,447	4,955,925	197,444,052
PROFIT BEFORE TAX, AND PRIOR PERIOD ADJUSTMENTS:		211,293	10,716,781	171,555	6,834,751
6. Provision For Taxes					
(a) Current Taxes		95,775	4,857,708	98,180	3,911,491
		95,775	4,857,708	98,180	3,911,491
NET PROFIT AFTER TAX AND BEFORE EXTRAORDINARY ITEMS:		115,518	5,859,073	73,375	2,923,260
7. Prior Period Adjustments		(8,900)	(451,408)	-	-
NET PROFIT:		106,618	5,407,665	73,375	2,923,260
8. Surplus Brought Forward		571,345	28,978,618	497,970	19,839,125
PROFIT AVAILABLE FOR APPROPRIATION:		677,963	34,386,283	571,345	22,762,385
APPROPRIATIONS:					
Surplus Carried Forward		677,963	34,386,283	571,345	22,762,385
TOTAL		677,963	34,386,283	571,345	22,762,385
EARNINGS PER EQUITY SHARE					
Basic & Diluted		14.06	713.12	9.68	385.65
NOTES TO ACCOUNTS	11				
Exchange rate used for translation 1USD = Rs.			50.72		39.84

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

As per our Report attached

Signatures to the Profit and Loss Account and Schedules 8 to 11

For and on behalf of

For and on behalf of the Board

KALYANIWALLA MISTRY AND ASSOCIATES
CHARTERED ACCOUNTANTS

Anil A. Kulkarni
PARTNER

Manu Parpia
Director

Ravishankar G.
Director

Pune: August 25, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Current Year US Dollars	Current Year Equivalent INR	Previous Year US Dollars	Previous Year Equivalent INR
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit Before Tax	211,293	10,716,781	171,555	6,834,751
Adjustment for:				
Depreciation	315,765	16,015,601	336,031	13,387,475
Interest Expense	25,382	1,287,375	24,750	986,040
Interest Income	(27,270)	(1,383,134)	-	-
Prior period items	(11,417)	(579,070)	-	-
	302,460	15,340,771	360,781	14,373,515
Operating Cash Flows Before Working Capital Changes	513,753	26,057,552	532,336	21,208,266
Working Capital Changes:				
Sundry Debtors	28,420	1,441,462	(62,290)	(2,481,634)
Loans and Advances	67,732	3,435,367	(33,787)	(1,346,074)
Current Liabilities and Provisions	54,361	2,757,190	617,553	24,603,312
	150,513	7,634,019	521,476	20,775,604
Cash Generated from Operations	664,266	33,691,572	1,053,812	41,983,870
Income Taxes Paid	(142,503)	(7,227,752)	(145,930)	(5,813,851)
Net Cash Flow from Operating Activities	521,763	26,463,819	907,882	36,170,019
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(12,888)	(653,679)	(25,015)	(996,598)
Investment made for acquisition of Subsidiary Companies	(2,620,000)	(132,886,400)	-	-
Interest Received	27,270	1,383,134	-	-
Net Cash Used in Investing Activities	(2,605,618)	(132,156,945)	(25,015)	(996,598)
Balance carried forward	(2,083,855)	(105,693,126)	882,867	35,173,421

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Current Year US Dollars	Current Year Equivalent INR	Previous Year US Dollars	Previous Year Equivalent INR
Balance Brought Forward	(2,083,855)	(105,693,126)	882,867	35,173,421
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Loan from Inter-Company	1,600,000	81,152,000	-	-
Repayment of Capital lease obligation	-	-	(20,820)	(829,469)
Repayment of Loan from Holding Company	(37,500)	(1,902,000)	(37,500)	(1,494,000)
Interest Paid	(31,570)	(1,601,230)	(25,317)	(1,008,629)
Net Cash (Used) / Raised in Financing Activities	1,530,930	77,648,770	(83,637)	(3,332,098)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(552,925)	(28,044,356)	799,230	31,841,323
CASH AND CASH EQUIVALENTS:				
AS AT THE BEGINNING				
Cash and Bank Balances	1,023,485	51,911,159	224,255	8,934,319
AS AT THE ENDING				
Cash and Bank Balances	470,560	23,866,803	1,023,485	40,775,642
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(552,925)	(28,044,356)	799,230	31,841,323
Exchange rate used for translation 1USD = Rs.		50.72		39.84

For and on behalf of
KALYANIWALLA MISTRY AND ASSOCIATES
CHARTERED ACCOUNTANTS

Anil A. Kulkarni
PARTNER

Pune: August 25, 2009

For and on behalf of the Board

Manu Parpia
Director

Ravishankar G.
Director



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year US Dollars	Previous Year US Dollars
SCHEDULE 1: SHARE CAPITAL		
Share Capital	2,062,771	2,062,771
TOTAL	2,062,771	2,062,771
Notes:		
Issued, Subscribed and Paid Up Capital includes 7583 (Previous Year: 6238) Shares held by Geometric Limited, India, the Holding Company.		
SCHEDULE 2: RESERVES AND SURPLUS		
Profit and Loss Account - Surplus	677,963	571,345
TOTAL	677,963	571,345
SCHEDULE 3: UNSECURED LOANS		
1. Loan from Inter - Company	1,600,000	37,500
2. Interest Accrued and due on Unsecured Loans	1,841	8,029
TOTAL	1,601,841	45,529

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 4: FIXED ASSETS

ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As on 1-Apr-08	Additions	Deductions	As on 31-Mar-09	Upto 31-Mar-08	Adjustments * For the Year	On Deductions	Upto 31-Mar-09	As on 31-Mar-09	As on 31-Mar-08	
Computers	134,000	11,556	-	145,556	115,644	-	14,782	-	130,426	15,130	18,356
Furniture and Fixtures	248,434	1,332	-	249,766	207,185	(2,517)	5,159	-	209,827	39,939	41,249
Intangible Assets:											
- Computer Software	119,785	-	-	119,785	106,546	-	13,015	-	119,561	224	13,239
- Goodwill	2,828,090	-	-	2,828,090	848,427	-	282,809	-	1,131,236	1,696,854	1,979,663
TOTAL	3,330,309	12,888	-	3,343,197	1,277,802	(2,517)	315,765	-	1,591,050	1,752,147	-
Previous Year	3,305,294	25,015	-	3,330,309	941,771	-	336,031	-	1,277,802	-	2,052,507

* Adjustments represent impact on accumulated depreciation due to change in estimated useful life.



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 5: INVESTMENTS

Previous Year Nos.	Current Year Nos.	US Dollars	Current Year US Dollars	Previous Year US Dollars
			-	-
-		EQUITY SHARES IN SUBSIDIARY COMPANIES		
		Long Term (At Cost)		
-	1,000	Equity shares of Geometric Americas, Inc. - a subsidiary company	2,620,000	-
		TOTAL	2,620,000	-

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 \$ 39,162; - previous year \$ 72,181)	39,162		130,215
b)	Other Debts (including debts due from Geometric Americas Inc the subsidiary Company \$ 113,240; Previous Year Nil).	975,005		945,391
		1,014,167		1,075,606
c)	Less: Provision for Doubtful Debts	39,162		72,181
			975,005	1,003,425

2. CASH AND BANK BALANCES

a)	Cash in Hand	-		-
b)	Balances with Scheduled Banks			
	- In Current Accounts	425,287		994,882
	- In Deposit Accounts	45,273		28,603
			470,560	1,023,485

3. LOANS AND ADVANCES

(Unsecured - considered good, unless otherwise stated)

a)	Advances recoverable in cash or in kind or for value to be received	160,067		159,863
		160,067		159,863
	Less: Provision for Doubtful Loans & Advances	67,936		-
			92,131	159,863
	TOTAL		1,537,696	2,186,773

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year US Dollars	Previous Year US Dollars
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SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS

1. CURRENT LIABILITIES

a) Sundry Creditors		
- Others	208,243	85,298
b) Inter-Company	471,360	416,580
c) Advances and Deposits	10,163	75,137
d) Other Liabilities	828,061	877,562
	1,517,827	1,454,577

2. PROVISIONS

a) For Taxation (Net Of Advance Payment of Taxes)	5,170	51,898
d) For Leave Encashment	44,271	53,160
	49,441	105,058

TOTAL	1,567,268	1,559,635
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SCHEDULE 8: OTHER INCOME

1. Interest on Advances and Deposits (Gross)	27,270	-
2. Rent Received	46,414	50,633
3. Excess provision written back	90,235	-
4. Royalty Income	2,641	-
5. Miscellaneous Income	2,192	2,480
TOTAL	168,752	53,113



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year US Dollars	Previous Year US Dollars
SCHEDULE 9: OPERATING AND OTHER EXPENSES		
1. Personnel Expenses		
Salaries, Bonus and Allowances	746,130	896,972
Staff Welfare Expenses	495	-
2. Software Tools and Packages	24,832	32,505
3. Software Development Charges	460,022	517,492
4. Royalty	1,464,268	1,659,311
5. Rates and Taxes	-	317
6. Rent and Service Charges	314,835	193,603
7. Repairs and Maintenance		
a) Computers	14,951	10,959
b) Others	453	-
	15,404	10,959
8. Insurance	83,490	104,219
9. Travelling and Conveyance Expenses	171,752	148,978
10. Communication Expenses	35,846	54,387
11. Legal and Professional Charges	157,215	160,301
12. Advertising and Publicity	226,988	169,875
13. Staff Recruitment Expenses	-	359
14. Miscellaneous Expenses	51,650	136,125
15. Sales and Marketing Expenses	650,582	431,153
16. Loss on Exchange Difference (Net)	16,376	735
17. Bad Debts Written Off	73,283	1,518
18. Provision for Doubtful Debts	(33,019)	76,335
19. Provision for Doubtful Advances	67,936	-
TOTAL	4,528,085	4,595,144
SCHEDULE 10: INTEREST AND FINANCE CHARGES		
1. Other Interest	1,962	3,258
2. Bank Charges	23,420	21,492
TOTAL	25,382	24,750

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 11 : 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.

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. Leasehold assets are amortized 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
Computers	3
Furniture and Fixtures	10
Software	3-5
Goodwill	10
Office Equipments	13

Goodwill is recorded in accordance with the Accounting Standard 26 "Intangible Assets" and is amortized over a period of ten years.

d) Cash and cash equivalents:

The Company considers cash and cash deposits with original maturities of less than 90 days as cash equivalents.

e) Investments:

Long-term investments are valued at cost less provision for diminution in value, if the diminution is other than temporary.

f) Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction and subsequent gains / losses are recognized on realization.

g) Earning Per Share:

The basic earnings per share is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

h) 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.

i) 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



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 11 : NOTES TO ACCOUNTS

for doubtful accounts for potential credit losses and such losses, in the aggregate, have not exceeded management expectations.

j) 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 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.

The Royalty expenditure incurred for providing such support and product upgrades services is wholly expensed out in the year of sale.

k) 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.

l) 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.

m) Software Expenditure:

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.

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 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.

During the current Period deferred tax assets have not been recognized as the management is of the opinion that there is no reasonable and virtual certainty that sufficient taxable income would be available in future, against which such deferred tax assets can be realised.

o) 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-

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 11 : NOTES TO ACCOUNTS

- 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.

2. Leases:

Operating Lease

Lease expenditure for operating leases is recognized on a straight line basis over the period of lease. Rental expenses for the year ended March 31, 2009 was \$ 314,835 (including termination charges \$ 106,484) [Previous Year \$ 193,603]. The total of future minimum lease payments under non-cancelable operating lease is as under:

Particulars	Current Year	Previous Year
Up to 1 Year	68,124	206,851
1 Year – 5 Years	68,124	155,253
More than 5 Years	-	-
Total	136,248	362,104

3. Earnings Per Share:

Particulars	Current Year	Previous Year
Profit / (Loss) for the year	106,618	73,375
Weighted Average Number of Equity Shares	7,583	7,583
Basic and Diluted Earnings Per Share	14.06	9.68

4. Auditors Remuneration (including service tax):

Particulars	Current Year	Previous Year
Statutory Audit Fees	15,660	13,484
Total	15,660	13,484

5. Related party disclosure as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India, are given below:

1) Related Parties:

Company under same management:

Geometric Limited – Holding Company

Geometric Americas Inc. – Subsidiary Company

- 2) The following transactions were carried out with the related parties in the ordinary course of business:

Amounts in \$

Particulars	Current Year	Previous Year
Software Development Charges	460,022	517,492
Interest on loan	1,962	3,258
Royalties Expenses	843,630	693,568
Investment	2,620,000	-
Loan taken	1,600,000	-
Loan given	800,000	-
Interest received	23,013	-
Re-imbursement of expenses	145,757	-
Sales	113,240	-
Balance Payable		
- Unsecured Loan	(1,601,841)	(45,529)
- Sundry Creditors	(471,360)	(416,580)
- Sundry Debtors	113,240	NIL
- Investment	2,620,000	NIL

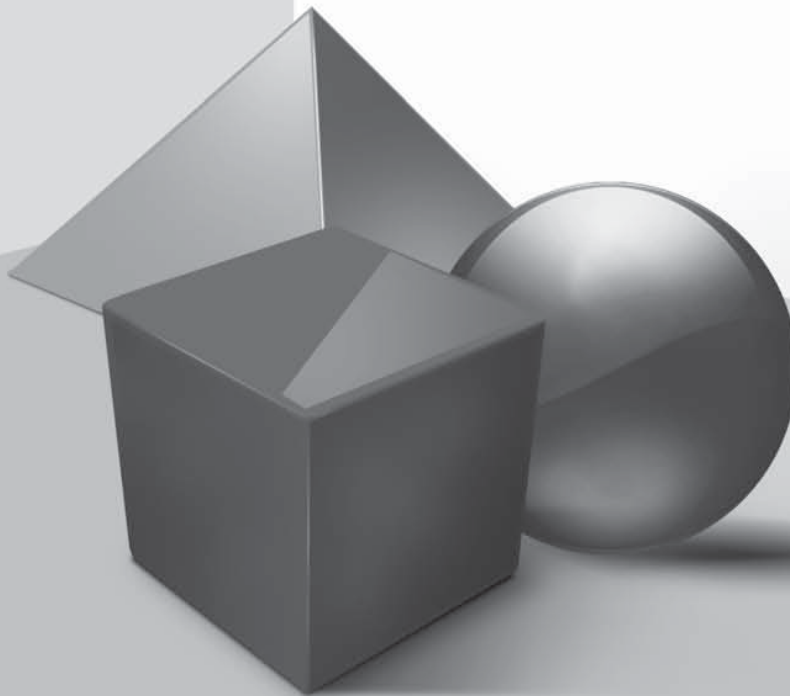
6. Retirement Plan

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, 2009 was \$ 27,807 (Previous Year \$ 27,719).

7. Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.

**Geometric Americas, Inc.
and Subsidiaries**

Annual Report and Accounts
for the year ended March 31, 2009



Regd. Office:

Geometric Americas, Inc.
633 South Boulevard
Rochester Hills, MI 48307 USA

DIRECTORS' REPORT

To The Members

The Directors hereby present the Twelveth Annual Report of the Company for the year ended March 31, 2009.

1. OPERATIONS

The Company on a consolidated basis registered total revenue of USD 48,563,293 which resulted in a net loss of USD 29,205,754.

During the year, the Company sold 17.74 % shares of Geometric Technologies, Inc. held by it to Geometric Limited. Consequently Geometric Technologies, Inc. has become wholly owned subsidiary of the Geometric Limited. Further during the year the entire stake of Geometric Americas, Inc. was purchased by Geometric Technologies, Inc. thus making it wholly owned subsidiary of the Geometric Technologies, Inc.

2. SHARE CAPITAL

Pursuant to Fresh certificate of Incorporation dated March 7, 2008, the share capital of the Company is

changed to Authorised Capital of 10000 No par value Common Stock and Issued Capital of 1000 No par value Common Shares issued with effect from April 1, 2008.

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.

By Order of the Board
Manu Parpia

August 25, 2009

REPORT OF INDEPENDENT AUDITORS

Stockholders

Geometric Americas, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Geometric Americas, Inc. and Subsidiaries, as of March 31, 2009 and 2008, and the related consolidated statements of income and retained (deficit) and cash flows for the years then ended and for the quarter ended March 31, 2009. 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 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 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 audit provides 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. and Subsidiaries as of March 31, 2009 and 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
August 25, 2009



CONSOLIDATED BALANCE SHEETS

	As at March 31, 2009		As at March 31, 2008 (Restated)	
	US \$	Equivalent INR	US \$	Equivalent INR
ASSETS				
CURRENT ASSETS				
Cash	\$ 1,760,134	89,273,996	\$ 1,283,556	51,136,871
Accounts receivable, trade - net	8,989,634	455,954,236	8,047,807	320,624,631
Unbilled work in process - net	3,012,657	152,801,963	4,696,547	187,110,432
Other receivables including loans to employees - net	997,641	50,600,352	803,048	31,993,432
Prepaid expenses	438,671	22,249,393	432,090	17,214,466
Deferred income tax	270,813	13,735,635	-	-
Prepaid corporate income tax	104,226	5,286,343	104,226	4,152,364
Total current assets	15,573,776	789,901,919	15,367,274	612,232,196
NOTE RECEIVABLE	2,455,491	124,542,504	853,650	34,009,416
PROPERTY AND EQUIPMENT	771,202	39,115,365	1,114,412	44,398,174
DEFERRED TAX ASSET	46,000	2,333,120	590,973	23,544,364
OTHER ASSETS				
Goodwill	-	-	25,488,905	1,015,477,975
Investment in Geometric Technology, Inc.	-	-	577,018	22,988,397
Security deposits	140,636	7,133,058	136,346	5,432,025
Total other assets	140,636	7,133,058	26,202,269	1,043,898,397
Total assets	\$ 1 8,987,105	963,025,966	\$ 44,128,578	1,758,082,548
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Advance from related party	\$ 1 0,798,254	547,687,443	\$ 5,462,645	217,631,777
Note payable to bank	8,137,151	412,716,299	8,001,364	318,774,342
Current portion of long-term debt	3,201,961	162,403,462	2,444,692	97,396,529
Accounts payable and accrued expenses	2,116,551	107,351,467	1,843,861	73,459,422
Deferred revenue	237,102	12,025,813	526,724	20,984,684
Accrued wages and payroll taxes	1,893,870	96,057,086	1,197,020	47,689,277
Deferred income tax	-	-	332,776	13,257,796
Deferred rent	34,886	1,769,418	122,922	4,897,212
Total current liabilities	26,419,775	1,340,010,988	19,932,004	794,091,039
NON-CURRENT LIABILITIES				
Note payable to related party	6,629,158	336,230,894	5,880,000	234,259,200
Note payable to banks	2,400,000	121,728,000	5,600,000	223,104,000
Total non-current liabilities	9,029,158	457,958,894	11,480,000	457,363,200
Total liabilities	35,448,933	1,797,969,882	31,412,004	1,251,454,239
STOCKHOLDER'S EQUITY				
Common stock, no par value, 200,000 shares authorized; 190,000 issued and outstanding	14,050,000	712,616,000	14,050,000	559,752,000
Retained earnings	(30,511,828)	(1,547,559,916)	(1,333,426)	(53,123,692)
Total stockholder's equity	(16,461,828)	(834,943,916)	12,716,574	506,628,308
Total liabilities and stockholder's equity	\$ 1 8,987,105	963,025,966	\$ 44,128,578	1,758,082,548

See notes to financial statements

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS (DEFICIT) FOR THE YEAR ENDED

	March 31, 2009		March 31, 2008 - Restated	
	US\$	Equivalent INR	US\$	Equivalent INR
Revenue				
Consulting services	56,678,374	2,874,727,129	51,418,002	2,048,493,200
Total revenue	56,678,374	2,874,727,129	51,418,002	2,048,493,200
Cost of revenue	12,977,581	658,222,908	3,390,453	135,075,648
Software costs				
Royalty expense	112,000	5,680,640	-	-
Total software and royalty costs	13,089,581	663,903,548	3,390,453	135,075,648
Payroll, payroll taxes and other labour costs	30,387,938	1,541,276,215	33,639,035	1,340,179,154
Indirect costs of revenue	5,085,774	257,950,457	3,947,290	157,260,034
Total cost of revenue	48,563,293	2,463,130,221	40,976,778	1,632,514,836
Gross profit	8,115,081	411,596,908	10,441,224	415,978,364
Operating expenses				
Selling, general and administrative expenses	11,270,041	571,616,480	11,160,236	444,623,802
Depreciation	426,849	21,649,781	373,352	14,874,344
Goodwill impairment	24,667,492	1,251,135,194	-	-
Total operating expenses	36,364,382	1,844,401,455	11,533,588	459,498,146
	(28,249,301)	(1,432,804,547)	(1,092,364)	(43,519,782)
Other income (expense)				
Interest income:				
Bank	1,862	94,441	686	27,330
Interest expense:				
Bank	(668,710)	(33,916,971)	(1,024,329)	(40,809,267)
Related party	(469,108)	(23,793,158)	(340,037)	(13,547,074)
Other income	186,565	9,462,577	346,541	13,806,193
Other expense	(43,402)	(2,201,349)	-	-
Total other income (expense)	(992,793)	(50,354,461)	(1,017,139)	(40,522,818)
Net (loss) before income taxes	(29,242,094)	(1,483,159,008)	(2,109,503)	(84,042,600)
Less income taxes	(36,340)	(1,843,165)	(276,445)	(11,013,569)
Net (loss)	(29,205,754)	(1,481,315,843)	(1,833,058)	(73,029,031)
Retained earnings (deficit), beginning	(1,333,426)	(67,631,367)	499,632	19,905,339
Other comprehensive income - cumulative translation adjustment	27,352	1,387,293	-	-
Retained earnings (deficit), ending	(30,511,828)	(1,547,559,916)	(1,333,426)	(53,123,692)
Exchange rate used for translation : 1 US\$ =		50.72		39.84

See notes to financial statements



CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED

	March 31, 2009		March 31, 2008 - Restated	
	US\$	Equivalent INR	US\$	Equivalent INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)	(29,205,754)	(1,481,315,843)	(1,833,058)	(73,029,031)
Adjustments to reconcile net (loss) to net cash flows provided by operating activities:				
Depreciation	426,849	21,649,781	373,352	14,874,344
Gain on sale of assets	(163,889)	(8,312,450)	(894)	(35,617)
Loss on foreign currency exchange	38,243	1,939,685	2,374	94,580
Deferred taxes	(58,616)	(2,973,004)	(348,184)	(13,871,651)
Allowance for doubtful accounts	1,128,378	57,231,332	(103,031)	(4,104,755)
Divestiture of subsidiary	-	-	712,671	28,392,813
Changes in operating assets and liabilities:				
Accounts receivable and unbilled work in process	(386,315)	(19,593,897)	(1,443,194)	(57,496,849)
Prepaid expense and security deposits	(6,581)	(333,788)	261,518	10,418,877
Prepaid income taxes	-	-	(31,473)	(1,253,884)
Loans to employees	(194,593)	(9,869,757)	(94,668)	(3,771,573)
Deposits	(4,290)	(217,589)	-	-
Goodwill impairment	24,667,492	1,251,135,194	-	-
Net activity from related party note receivable	(1,841)	(93,376)	-	-
Advances from related party	5,335,609	270,622,088	2,553,918	101,748,093
Accounts payable and accrued expenses	1,852,085	93,937,751	(504,620)	(20,104,061)
Deferred revenue	(289,622)	(14,689,628)	50,762	2,022,358
Net cash provided by (used in) operating activities	3,137,155	159,116,502	(404,527)	(16,116,356)
INVESTING ACTIVITIES				
Net activity from related party note receivable	-	-	(853,650)	(34,009,416)
Proceeds from sale of Geometric Technology, Inc.	740,907	37,578,803	-	-
Investment in Geometric Engineering, Inc.	-	-	(1,300,000)	(51,792,000)
Investment in Geometric Technology, Inc.	-	-	(577,018)	(22,988,397)
Proceeds from sale of property, plant and equipment	-	-	1,605	63,943
Acquisition of property, plant and equipment	(94,538)	(4,794,967)	(841,669)	(33,532,093)
Net cash (used in) investing activities	646,369	32,783,836	(3,570,732)	(142,257,963)
FINANCING ACTIVITIES				
Net activity under note payable - bank	135,787	6,887,117	809,576	32,253,508
Net activity under short-term financing of bank overdraft	-	-	(149,386)	(5,951,538)
Repayments of long-term debt	(2,477,295)	(125,648,402)	(183,122)	(7,295,580)
Proceeds from long-term debt	34,562	1,752,985	-	#VALUE
Loan from related party	(1,000,000)	(50,720,000)	3,880,000	154,579,200
Net cash (used in) provided by financing activities	(3,306,946)	(167,728,301)	4,357,068	173,585,589
Net Change in Cash	476,578	24,172,036	381,809	15,211,271
CASH, Beginning	1,283,556	65,101,960	901,747	35,925,600
CASH, Ending	1,760,134	89,273,996	1,283,556	51,136,871
Supplemental Disclosures of Cash Flow Information				
Cash paid for income taxes	22,276	1,129,839	3,903	155,496
Cash paid for interest	921,425	46,734,676	1,284,384	51,169,859
Exchange rate used for translation : 1 US\$ =		50.72		39.84

See notes to financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2009 and for the year ended March 31, 2008

NOTE 1 – NATURE OF BUSINESS AND ORGANIZATION

Geometric Americas, Inc. (the “Company”) was incorporated on August 18, 1997 as a Delaware corporation and is a wholly owned Company of Geometric Technologies, Inc. (the “Parent”). The Company provides marketing assistance and promotes software products and provides software consulting services for customers in eleven states. The Company’s primary operations are in the Midwestern United States, where it is principally engaged in providing engineering services to major automotive, agricultural, construction equipment manufacturers and related tier one suppliers. The Company has wholly-owned consolidated subsidiaries in Romania and France.

On April 1, 2008, the Company merged with its wholly-owned subsidiary, Geometric Engineering, Inc. As of that date, Geometric Engineering, Inc. no longer existed and the surviving entity was Geometric Americas, Inc.

On March 26, 2009, the Company was acquired by Geometric Technologies, Inc. As of that date, Geometric Technologies, Inc. was the 100% parent company of Geometric Americas, Inc.

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 the United States of America.

Principals of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. 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 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.

Revenue recognized from consulting services to non-affiliates for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was \$ 23,715,741 \$ 4,761,364 and \$ 13,835,991, respectively. Consulting service revenue for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was received from various customers, the largest of which was \$ 4,978,700, \$ 1,081,089 and \$ 2,915,622, respectively.

For the year and quarter ended March 31, 2009 and for the year ended March 31, 2008, sales from major automotive manufacturers amount to \$ 12,946,310, \$ 2,609,505 and \$ 14,124,729, respectively of total sales. Total billed and unbilled accounts receivable for the years ended March 31, 2009 and 2008 were \$ 3,476,253 and \$ 2,670,139, respectively. The Company does not require collateral from its customers.

Accounts Receivable and Allowance for Doubtful Accounts

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2009 and for the year ended March 31, 2008

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, 2009 and 2008 for both accounts receivable and unbilled work in process was \$1,283,783 and \$151,017, respectively. The allowance for doubtful employee loans at March 31, 2009 and 2008 was \$16,912 and \$-0-, respectively.

Fixed Assets and Depreciation

Equipment is stated at cost less accumulated depreciation. Depreciation is provided using accelerated methods over an estimated useful life of the asset. 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. Revenue earned on contracts in process in excess of billings are classified as unbilled work in process and amounts billed in excess of revenue earned are classified as deferred revenue and later recognized as revenue when service is provided to the customer.

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 and Impairment

In accordance with Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*, goodwill cannot 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 impairments by comparing the fair value of a reporting unit with its book value, including goodwill. If the fair value of the 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 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. The Company performed a valuation as required per SFAS No. 142, and has determined that the carrying value of the goodwill is in excess of fair value of the Company, and accordingly, an impairment of goodwill totaling \$24,667,492 has been recognized in the accompanying consolidated statements of income and retained earnings (deficit).

Income Taxes

Income taxes 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 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.

In accordance with FASB Staff Position No. 48-3, *Effective Date of FASB Interpretation No. 48 of Certain Nonpublic Companies*, the Company has elected to defer the application of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* to annual financial statements for fiscal years beginning after December 15, 2008. Management of the Company evaluates uncertain tax positions in accordance with FASB Statement No. 5 *Accounting for Contingencies*. As of December 31, 2008 there were no amounts that had been accrued in respect of uncertain tax positions.

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 required 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2009 and for the year ended March 31, 2008

operating loss carryforward. 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.

Deferred taxes consist of the following:

	March 31, 2009		March 31, 2008	
	Short-term	Long-term	Short-term	Long-term
Assets	\$ 297,413	\$ 46,000	\$ 38,000	\$ 18,960
Liabilities	(26,600)	-	(370,776)	(127,987)
	\$ 270,813	\$ 46,000	\$ (332,776)	\$ 590,973

For Federal income tax purposes the Company has net operating loss carryforwards of \$ 6,788,634 that expire through 2029, that may provide future tax benefit. The deferred tax assets are shown net of a valuation allowance of approximately \$ 3,250,000 for the year and quarter ended March 31, 2009 and \$ 2,391,000 for the year ended March 31, 2008 due to the uncertainty of the realization of the asset as it related to the net operating losses.

For state income tax purposes the Company has a deferred tax asset of approximately \$ 173,500 and \$ 51,000 as of March 31, 2009 and 2008, respectively.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expenses during the year and quarter ended March 31, 2009 and during the year ended March 31, 2008 were insignificant.

NOTE 3 - NOTE RECEIVABLE

The note receivable consisted of the following at March 31, 2009:

	March 31, 2009	2008
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	\$ 853,650
Note receivable from a parent company. The note bears interest at 6%, due on demand and unsecured. The note is not expected to be repaid within one year.	1,601,841	-
	\$ 2,455,491	\$ 853,650

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at March 31, 2009:

	March 31, 2009	2008
Machinery and equipment	\$ 30,251	\$ 85,514
Computer equipment and software	1,452,248	1,123,217
Furniture and fixtures	128,683	96,239
Leasehold improvements	1,307	1,307
Software development	-	305,249
Office equipment	86,626	80,842
	1,699,115	1,692,368
Less accumulated depreciation	927,913	577,956
	\$ 771,202	\$ 1,114,412

NOTE 5 - GOODWILL

Following are the details of the balances in goodwill as of March 31, 2009:

	Amount
Amount paid to former owners of Geometric Engineering, Inc.	\$ 24,228,587
Costs associated with the acquisition	910,128
	25,138,715
Book value of Company's 100% investment Geometric Engineering, Inc. deferred tax asset valuation	2,645,210
Adjusted book value (deficit)	(2,173,987)
Excess of investment over book value accounted for as goodwill at March 31, 2009	471,223
Goodwill impairment	24,667,492
Carrying value of goodwill	(24,667,492)
	\$ -

NOTE 6 - INVESTMENT IN GEOMETRIC TECHNOLOGIES, INC.

On July 15, 2007, the Company purchased 18% of the outstanding capital stock of Geometric Technologies, Inc. from its stockholders for \$ 577,018. On March 27, 2009, the Company sold this stock to Geometric Ltd., a related party. At March 31, 2009 the Company had a gain on sale of investment of \$ 163,889.

NOTE 7 - ADVANCE FROM RELATED PARTY

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2009 and for the year ended March 31, 2008

NOTE 8 - NOTE PAYABLE - BANK

At March 31, 2009 and 2008, the Company had drawn \$ 8,137,151 and \$ 8,001,364, 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 .35% (prime rate at March 31, 2009 and 2008 was 3.25% and 5.25%, 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 Ltd.

NOTE 9 - LONG-TERM DEBT

Long-term debt consists of the following:

	March 31,	
	2009	2008
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% at both March 31, 2009 and 2008), secured by a mortgage on land and buildings owned by a related party through common ownership in India. The note is due October 2010. The current interest rate is 6.4%.	\$ 5,600,000	\$ 8,000,000
Capital leases payable to financial institutions in monthly installments totaling \$ 12,372, including interest. Interest on the notes range from non-interest bearing to 8.50%. The notes are due through April 2009 and are secured by furniture and software.	1,961	44,692
	5,601,961	8,044,692
Less current portion	3,201,961	2,444,692
	\$ 2,400,000	\$ 5,600,000
The following is a schedule of long-term debt payments		
Year ended March 31,	Total	Capital Leases
2009	\$ 3,201,961	\$ 1,961
2010	2,400,000	—
	\$ 5,601,961	\$ 1,961

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 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 11 - NOTE PAYABLE TO RELATED PARTY

The Company, at March 31, 2009 and 2008, had a \$6,629,158 and \$5,808,000, respectively, note payable in US Dollars to a related party, with interest ranging from 6% to 8% per annum due quarterly. Under the terms of the note, principal payments are to be made upon the agreement of the Company and its related party. At March 31, 2009 and 2008, both parties considered the note to be non-current.

NOTE 12 - DEFERRED REVENUE

Revenue under fixed fee contracts is deferred and recognized over the term of the contract. At March 31, 2009 and 2008, deferred revenue totalled \$ 237,102 and \$ 526,724, respectively.

NOTE 13 - CAPITAL LEASE

The Company is the lessee of equipment under capital leases expiring through April 2009. The assets and liabilities under the capital leases are 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:

	March 31,	
	2009	2008
Cost	\$ 261,739	\$ 227,175
Less accumulated depreciation	165,063	107,873
	\$ 96,676	\$ 119,302

Depreciation on assets under capital leases charged to expense for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was \$ 29,261 \$ 1,463 and \$ 72,785, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2009 and for the year ended March 31, 2008

Interest expense on the capital leases for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was \$ 2,262, \$ 2,262, \$ 82 and \$ 7,650, respectively.

Minimum future lease payments under the capital leases as of March 31, 2009 and for the next year are detailed in Note 9.

NOTE 14 - LEASE COMMITMENT

The Company had a non-cancelable lease for office space in Merrimack, New Hampshire, which terminated on May 31, 2008 under which monthly payments of \$ 852 were made. The lease contains provisions for additional charges for operating expenses. Upon termination of this lease, the Company entered into a month-to-month agreement for this office space. Rent expense under this lease was \$ 2,200, \$ -0-, and \$ 10,224 for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008, respectively.

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 \$ 2,424,790, \$ 1,008,910 and \$ 2,195,556 for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008, respectively. During the year ended March 31, 2009, the Company terminated three of their facilities leases early and termination fees have been accrued for.

The company subleased its facility to a related party for \$12,561 per month under a sublease agreement that expired in December 2007. Sublease income was \$ -0- for both the year and quarter ended March 31, 2009 and \$ 125,606 for the year ended March 31, 2008.

The Company sublease other facilities to an unrelated party for monthly payments totalling \$ 7,223. The leases expire in February 2013 and February 2014. Sublease income was \$ 88,870, \$ 21,668 and \$ 86,670 for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008, respectively.

Total sublease income for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was \$ 88,870 \$ 21,668 and \$ 233,976, respectively. Total lease expense for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was \$ 2,426,990, \$ 1,008,910 and \$ 2,206,583, respectively.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2009 for each of the next five years are:

Year ended March 31,	Amount
2010	\$ 1,244,882
2011	554,939
2012	277,213
2013	276,000
2014	276,000
	\$ 2,629,034

NOTE 15 INCOME TAXES

	March 31, 2009	March 31, 2009	March 31, 2008
Current	\$ 22,885	\$ 22,276	\$ 71,739
Deferred	56,000	(58,616)	(348,184)
Total	\$ 78,885	\$ (36,340)	\$ (276,445)

NOTES 16 - 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 both the year and quarter ended March 31, 2009 and for the year ended March 31, 2008 was \$ -0- and \$ 57,047, respectively.

NOTE 17 - 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, 2009 and 2008 was \$ 259,063 and \$ 26,560.

NOTE 18 - RELATED PARTY TRANSACTIONS

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

- (i) Geometric Ltd. (GSSL)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2009 and for the year ended March 31, 2008

(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, 2009:

Particulars	GSSL	China	GTI
Outstanding AR Billed	49,608	—	145,757
Software Services from GAI	450,782	—	—
Advance to GAI	10,798,254	—	—
Loan to GAI	6,629,158	—	—
Interest on loan to GAI	446,094	—	23,014
Loan from GAI	—	853,650	1,601,841
Interest on loan from GAI	—	—	1,841
Billed to GAI	617,512	88,915	113,240
Unbilled to GAI	22,756	—	—
Billed Outstanding	459,216	88,915	—
Software Cost	13,089,581	—	—

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

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

In addition to the above related party transactions, employees relocating from India to the 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, 2009 and 2008 were \$ 120,407 and \$ 378,308, respectively. At March 31, 2009 and 2008, the allowance

for doubtful accounts against the employee advances was \$ 22,135 and \$ -0-, respectively.

NOTE 19 - 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. Gain 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 totalled \$ 22,677, \$ 10,555 and \$ (2,374) for the year and quarter ended March 31, 2009 and for the year ended March 31, 2008, respectively.

NOTE 20 - CONTINGENT LIABILITY

There is a potential liability to the state unemployment commission for underpayment of previous year's tax. Currently, this liability has not been assessed by the state, however, it is estimated that the liability could be approximately \$ 350,000. Currently there is no accrual for this amount recorded in the financial statements.

NOTE 21 - ECONOMIC DEPENDENCY

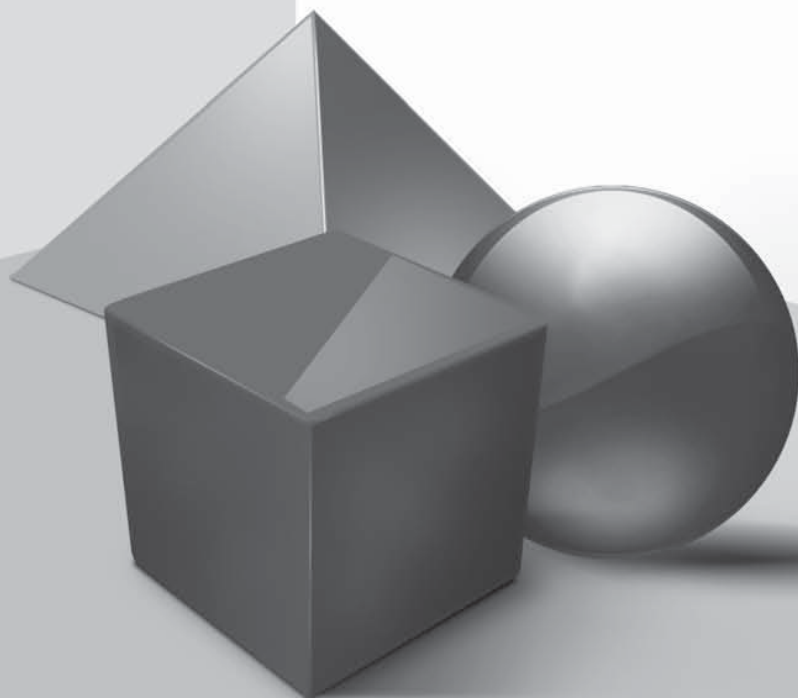
The Company's purchases and sales are fully integrated within the automotive industry. Continued adverse developments in the North American automotive industry could impact the Company's liquidity position and/or require restructuring of the Company's operations, including impairment charges. In addition, a prolonged downturn in the automotive market may also impact both the manufacturers' and the Companies financial solvency potentially resulting in reduced sales, uncollectible factory receivables, inability to borrow funds, potential liabilities and other additional costs to the Company.

NOTE 22 - RESTATEMENT

For the year ended March 31, 2009, an adjustment was made to the financial statements in order to properly reflect prior year taxes payable for the French subsidiary. The net effect of the adjustment was to increase accrued taxes and decreased retained earnings by \$ 320,163.

Geometric S.R.L.

Annual Report and Accounts
for the year ended March 31, 2009



Regd. Office:

Geometric Srl
PARCUL MIC Street 19-21
Brasov, RM 500386



FINANCIAL STATEMENT OF GEOMETRIC S.R.L., ROMANIA

DIRECTORS' REPORT

To the Members

The directors hereby present their report for the year ended March 31, 2009.

1. OPERATIONS

Total revenue of the company during the year was USD 988,231 and net loss for the year was USD 32,457

2. DIVIDEND

The directors do not recommend payment of any dividend.

3. FUTURE OUTLOOK

The company expect to perform better in the coming financial year, once the overall global economy recovers.

By Order of the Board

Manu Parpia

August 25, 2009

BALANCE SHEET AS AT MARCH 31, 2009

	31-Mar-09		31-Mar-08	
	US Dollar	Equivalent Rs.	US Dollar	Equivalent Rs.
ASSETS AND LIABILITIES				
Non current Assets				
Plant And Equipment	21,402	1,085,509	15,316	610,189
Current Assets				
Trade and Other Receivables	38,518	1,953,633	25,264	1,006,518
Cash and bank balance	37,619	1,908,036	55,912	2,227,534
Total Current Assets	76,137	3,861,669	81,176	3,234,052
Current Liabilities				
Trade and Other Payable	108,487	5,502,461	78,097	3,111,384
Provision For Taxation	4,769	241,884	1,653	65,856
Total Current Liabilities	113,256	5,744,344	79,750	3,177,240
Net Current Assets	(37,119)	(1,882,676)	1,426	56,812
Net Assets	(15,717)	(797,166)	16,742	667,001
EQUITY				
Total Equity	(15,717)	(797,166)	16,742	667,001
Exchange rate used for translation : 1USD =		50.72		39.84

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2009

	31-Mar-09		31-Mar-08	
	US Dollar	Equivalent Rs.	US Dollar	Equivalent Rs.
Sales	988,210	50,122,011	960,325	38,259,348
Other Income	21	1,065	22	876
Total Income	988,231	50,123,076	960,347	38,260,224
Cost Of Expenses				
Cost of Sales	838,643	42,535,973	762,871	30,392,781
Staff Cost	24,000	1,217,280	-	-
Depreciation	8,251	418,491	28,013	1,116,038
Other Operating Expenses	149,208	7,567,830	177,098	7,055,584
Total Expenses	1,020,102	51,739,573	967,982	38,564,403
Profit/(Loss) from operations	(31,871)	(1,616,497)	(7,635)	(304,179)
Finance Costs	586	29,722	859	34,223
Profit/(Loss) before Taxation	(32,457)	(1,646,219)	(8,494)	(338,402)
Taxation	-	-	1,795	71,513
Net Profit/(Loss) for the year	(32,457)	(1,646,219)	(10,289)	(409,915)

NOTES TO FINANCIAL STATEMENTS

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

Following is a summary of certain accounting policies followed in the preparation of these financial statement . The policies confirms to the generally accepted accounting principles and have been consistently applied in the preparation of the financial statement

NOTE 2 - BASIS OF ACCOUNTING

The financial statement are prepared using the accrual method of accounting

NOTE 3 - USE OF ESTIMATES

Preparation of financial statement 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 financial statements and reported amount of income and expenses during the reporting periods. Actual result could differ from those estimates.

NOTE 4 - REVENUE RECOGNITION

Fixed Price Projects:

Revenue is recognised 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 recognised 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 associates 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 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.

NOTES 5 - FIXED ASSETS AND DEPRECIATION

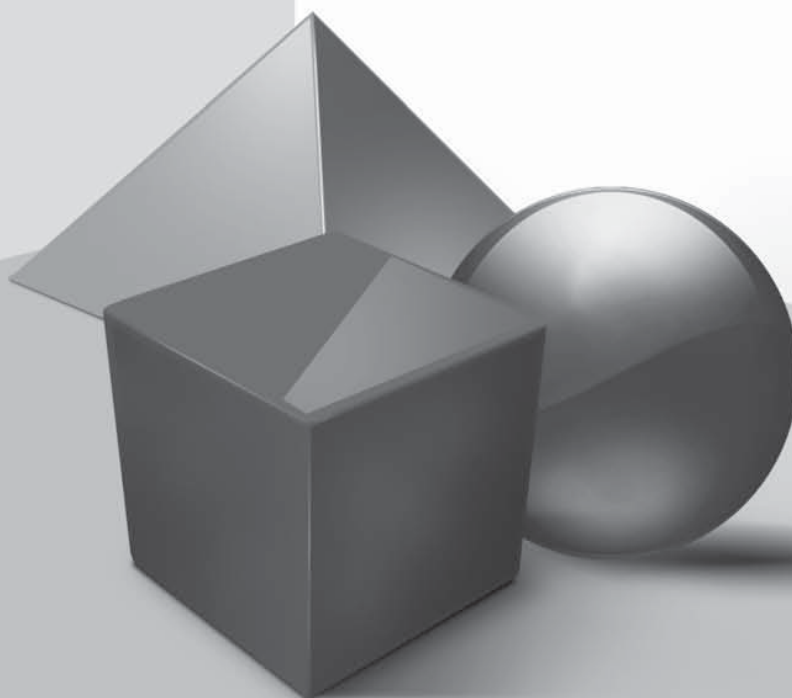
Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/commercial exploitation of assets.

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	13years
Furniture And Fixture	10 years
Machinery And Equipment	13 years
Leasehold Improvment	Over the term of the lease

Geometric SAS

Annual Report and Accounts
for the year ended March 31, 2009



Regd. Office:

Geometric SAS
Parc Technologique METROTECH
Immeuble 8 42650
Saint Jean Bonnefonds, France

FINANCIAL STATEMENT OF GEOMETRIC SAS, FRANCE

DIRECTORS' REPORT

To the Members

The directors hereby present their report for the year ended March 31, 2009.

1. OPERATIONS

The total revenue of the company during the year was USD 1,766,397 and net loss for the year was USD 774,369.

2. DIVIDEND

The directors do not recommend payment of any dividend.

3. FUTURE OUTLOOK

The company expect to perform better in the coming financial year, once the overall global economy recovers.

August 25, 2009

By Order of the Board
Manu Parpia

BALANCE SHEET AS AT MARCH 31, 2009

	31-Mar-09		31-Mar-08	
	US Dollar	Equivalent Rs.	US Dollar	Equivalent Rs.
ASSETS AND LIABILITIES				
Non Current Assets				
Plant And Equipment	48,761	2,473,158	70,092	2,792,465
Current Assets				
Trade and Other Receivables	451,296	22,889,733	440,535	17,550,914
Cash and Bank Balance	101,460	5,146,051	147,585	5,879,786
Total Current Assets	552,756	28,035,784	588,120	23,430,701
Current Liabilities				
Trade and Other Payable	2,206,744	111,926,056	1,202,030	47,888,875
Provision For Taxation		-		-
Total Current Liabilities	2,206,744	111,926,056	1,202,030	47,888,875
Net Current Assets	(1,653,988)	(83,890,271)	(613,910)	(24,458,174)
Net Assets	(1,605,227)	(81,417,113)	(543,818)	(21,665,709)
EQUITY				
Share Capital	54,734	2,776,108	48,962	1,950,646
Retained Profits	(1,659,961)	(84,193,222)	(592,780)	(23,616,355)
Total Equity	(1,605,227)	(81,417,113)	(543,818)	(21,665,709)
Exchange rate used for translation : 1USD =		50.72		39.84



PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2009

	31-Mar-09		31-Mar-08	
	US Dollar	Equivalent Rs.	US Dollar	Equivalent Rs.
Sales	1,766,397	89,591,656	878,036	34,980,954
Other Income		-	3,385	134,858
Total Income	1,766,397	89,591,656	881,421	35,115,813
Cost of Expenses				
Cost of Sales	1,492,454	75,697,267	625,165	24,906,574
Staff Cost	628,003	31,852,312	605,692	24,130,769
Depreciation	43,401	2,201,299	26,168	1,042,533
Other Operating Expenses	376,908	19,116,774	182,705	7,278,967
Total Expenses	2,540,766	128,867,652	1,439,730	57,358,843
Profit/(Loss) from operations	(774,369)	(39,275,996)	(558,309)	(22,243,031)
Finance Costs		-		-
Profit/(Loss) before Taxation	(774,369)	(39,275,996)	(558,309)	(22,243,031)
Taxation	-	-	-	-
Net Profit/(Loss) for the year	(774,369)	(39,275,996)	(558,309)	(22,243,031)

NOTES TO FINANCIAL STATEMENTS

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

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revenues and expenses. Invoicing schedules vary from project to project but include billed upon completion and progress or milestone billings.

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Revenue is recognized on 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.

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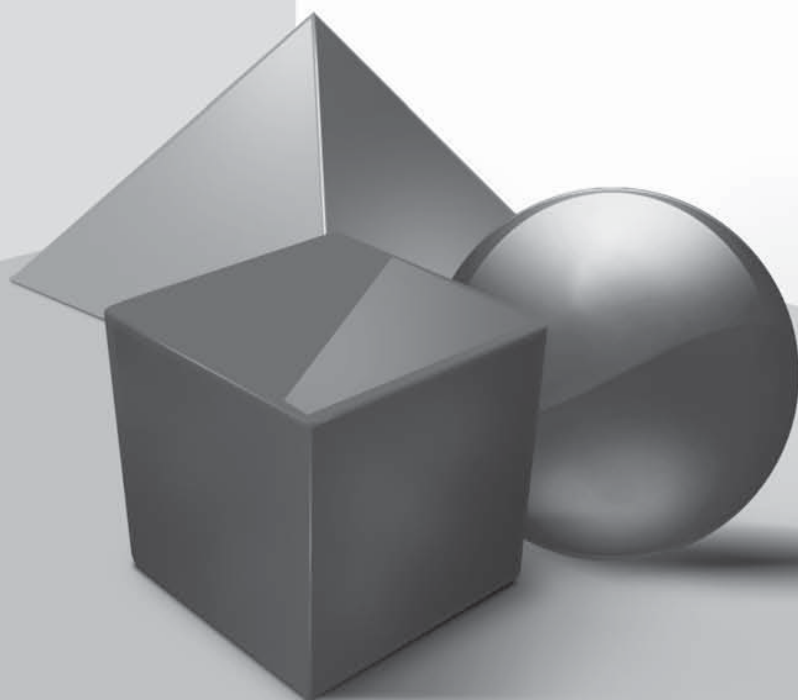
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Depreciation of fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software	3 years
Computer Equipment	3 years
Office Equipment	13years
Furniture And Fixture	10 years
Machinery And Equipment	13 years
Leasehold Improvement	Over the term of the lease

Geometric Technologies, Inc.

Annual Report and
Consolidated Accounts
for the year ended March 31, 2009



Regd. Office:

16121 N 78th Street
Suite 101, Scottsdale, AZ 85260, USA



DIRECTORS' REPORT

To The Members

The Directors hereby present their Report of the Company for the year ended March 31, 2009.

1. OPERATIONS

During the year 17.74 % shares of the Company held by Geometric Americas, Inc. were purchased by Geometric Limited, consequently making the Company wholly owned subsidiary of the Geometric Limited. Further during the year the entire stake of Geometric Americas, Inc. was purchased by the Company thus making Geometric Americas, Inc. wholly owned subsidiary of the Company. The Company on a consolidated basis registered total revenue of USD 60,761,263 which resulted in a net loss of USD 19,639,541.

2. SHARE CAPITAL

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

3. DIVIDENDS

The Directors do not recommend any Dividend.

4. SUBSIDIARY

During the year Geometric Technologies Inc. became a wholly owned subsidiary of Geometric Limited and Geometric Americas Inc. became a wholly owned subsidiary of Geometric Technologies Inc.

5. FUTURE OUTLOOK

The Company expects to perform better in the coming years.

By Order of the Board
Manu Parpia

August 25, 2009

REPORT OF THE AUDITORS

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GEOMETRIC TECHNOLOGIES INC.

- We have audited the attached Consolidated Balance Sheet of Geometric Technologies Inc. (the Company) and its subsidiaries (collectively referred to as the "Parent") as at March 31, 2009, the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year then ended (consolidated financial statements) for the purpose of consolidation as per the accounting principles prevalent in India, with the accounts of its holding company. 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.
- We conducted our audit in accordance with the 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.
- We did not audit the financial statements of Geometric Americas, Inc. and its subsidiaries, whose financial statements reflect total assets of \$18,987,105 as at March 31, 2009, the total revenue of \$56,866,801 and net cash flows amounting to \$476,578 for the year then ended. These financial statements and other financial information 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 the subsidiaries, is based solely on the report of other auditors.

- Schedule 10 Notes to Accounts Note No10 On March 26, 2009, the Company has acquired 100% shares of Geometric Americas Inc. (the subsidiary). While consolidating as on the reporting date i.e. March 31, 2009, the results of the operations of the subsidiary company for the entire year ended March 31, 2009 have been considered instead of the results of the operations from March 26, 2009 to March 31, 2009. The impact of such consolidation of the results for the period April 1, 2008 to March 25, 2009 has not been ascertained. This accounting treatment is not in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
- Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of Geometric Technologies Inc. and its aforesaid subsidiaries and to the best of our information and according to the explanations given to us and **subject to 4 above**, 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:
 - in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Geometric Technologies Inc. and its subsidiaries as at March 31, 2009;
 - in the case of the Consolidated Profit and Loss Account, of the consolidated loss for the year ended on that date; and
 - 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 AND ASSOCIATES
CHARTERED ACCOUNTANTS

ANIL A. KULKARNI
PARTNER

Mumbai: August 25, 2009

M. No.: 47576

BALANCE SHEET AS AT MARCH 31, 2009

		Current Year		Current Year	
	SCHEDULE	US Dollars	US Dollars	Equivalent INR	Equivalent INR
SOURCES OF FUNDS:					
1. SHAREHOLDERS' FUNDS					
a) Share Capital	1	2,062,771		104,623,745	
b) Foreign currency translation reserve		27,352		138,7293	
			2,090,123		10,601,1039
2. LOAN FUNDS					
a) Secured Loans	2	13,800,363		699,954,411	
b) Unsecured Loans	3	6,629,158		336,230,894	
			20,429,521		1,036,185,305
TOTAL			22,519,644		1,142,196,344

APPLICATION OF FUNDS:

3. FIXED ASSETS					
a) Gross Block		19,871,427		1,007,878,777	
Less:					
b) (i) Depreciation		2,518,963		127,761,803	
(ii) Impairment of Goodwill		14,829,115		652,132,713	
c) Net Block		2,523,349		127,984,261	
			2,523,349		127,984,261
4. INVESTMENTS			-		
5. CURRENT ASSETS, LOANS AND ADVANCES	4				
a) Sundry Debtors		6,902,406		350,090,032	
b) Cash And Bank Balances		2,230,694		113,140,800	
c) Loans And Advances		4,634,670		235,070,462	
		13,767,770		698,301,294	
6. Less: CURRENT LIABILITIES AND PROVISIONS	5				
a) Current Liabilities		12,293,455		623,524,038	
b) Provisions		546,210		27,703,771	
		12,839,665		651,227,809	
7. NET CURRENT ASSETS			928,105		47,073,486
8. PROFIT AND LOSS ACCOUNT			19,068,190		967,138,597
TOTAL			22,519,644		1,142,196,344

NOTES TO ACCOUNTS	9				
Exchange rate used for translation 1USD = Rs.					50.72

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

As per our Report attached

Signatures to the Balance Sheet and Schedules 1 to 5 and 9

For and on behalf of

For and on behalf of the Board

KALYANIWALLA MISTRY AND ASSOCIATES
CHARTERED ACCOUNTANTS

Anil A. Kulkarni
PARTNER

Manu Parpia
Director

Ravishankar G.
Director

August 25, 2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

		Current Year		Current Year	
	SCHEDULE	US Dollars	US Dollars	Equivalent INR	Equivalent INR
INCOME:					
1. Sales - Projects and Products					
Sales - Projects		53,060,774		2,691,242,457	
Sales - Products		4,937,287		250,419,197	
			57,998,061		2,941,661,654
2. Service Income			2,430,878		123,294,132
3. Other Income	6		332,324		16,855,473
			60,761,263		3,081,811,259
EXPENDITURE:					
4. Operating And Other Expenses	7	63,257,865		3,208,438,913	
5. Interest And Finance Charges	8	1,144,248		58,036,259	
6. Depreciation		742,630		37,666,194	
7. Impairment of Goodwill		14,829,115		752,132,713	
			79,973,858		4,056,274,078
(LOSS)/PROFIT BEFORE TAX, EXTRAORDINARY AND PRIOR PERIOD ADJUSTMENTS:			(19,212,595)		(974,462,818)
8. Provision For Taxes					
(a) Current Taxes		97,890		4,964,981	
(b) Deferred Tax		-		-	
			97,890		4,964,981
NET (LOSS)/PROFIT AFTER TAX AND BEFORE EXTRAORDINARY ITEMS:			(19,310,485)		(979,427,799)
9. Prior Period Adjustments			(329,056)		(16,689,720)
NET (LOSS)/PROFIT:			(19,639,541)		(996,117,520)
10. Surplus Brought Forward			571,351		28,978,923
PROFIT AVAILABLE FOR APPROPRIATION:			(19,068,190)		(967,138,597)
APPROPRIATIONS:					
(Deficit)/Surplus Carried Forward			(19,068,190)		(967,138,597)
TOTAL			(19,068,190)		(967,138,597)
EARNINGS PER EQUITY SHARE					
Basic & Diluted			(2,589.94)		(131,361.75)
NOTES TO ACCOUNTS	9				
Exchange rate used for translation 1USD = Rs.					50.72

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

As per our Report attached

Signatures to the Profit and Loss Account and Schedules 6 to 9

For and on behalf of

For and on behalf of the Board

KALYANIWALLA MISTRY AND ASSOCIATES

CHARTERED ACCOUNTANTS

Anil A. Kulkarni

PARTNER

Manu Parpia

Director

Ravishankar G.

Director

August 25, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Curent Year	Equivalent INR
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	(19,212,595)	(974,642,794)
Adjustment for:		
Depreciation	742,630	37,666,194
(Gain)/Loss on Sale of Investments	(163,889)	(8,312,450)
Interest Expense	1,143,706	58,008,787
Interest Income	(25,408)	(1,288,688)
Priond period items	(11,417)	(579,070)
Loss on foreign currency exchange	38,243	1,939,685
Allowance for doubtful debts	1,128,378	57,231,332
Goodwill impairment	14,829,115	752,132,713
Operating Cash Flows Before Working Capital Changes	(1,531,236)	(77,664,292)
Working Capital Changes:		
Sundry Debtors	(212,138)	(10,759,639)
Loans and Advances	3,605,066	182,848,947
Other Current Assets	(10,887)	(552,189)
Current Liabilities and Provisions	3,360,425	170,440,757
Deferred Revenue	(289,622)	(14,689,628)
	6,452,844	327,288,248
Cash Generated from Operations	4,921,608	249,623,955
Income Taxes Paid	(142,503)	(7,227,752)
Net Cash Flow from Operating Activities	4,779,105	242,396,203
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(107,426)	(5,448,647)
Investment in Subsidiary Company	(2,620,000)	(132,886,400)
Proceeds from sales of Geometric Technologies Inc. shares	740,907	37,578,803
Interest Received	4,235	214,799
Net Cash Used in Investing Activities	(1,982,284)	(100,541,445)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Bank Borrowings	135,787	6,887,117
Repayment of long term debts	(877,295)	(44,496,407)
Proceeds from long term debts	34,562	1,752,985
Repayment of loan from related parties	(1,000,000)	(50,720,000)
Repayment of Loan from Holding Company	(37,500)	(1,902,000)
Interest Paid	(1,128,721)	(57,248,752)
Net Cash (Used)/Raised in Financing Activities	(2,873,167)	(145,727,058)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(76,347)	(3,872,300)
CASH AND CASH EQUIVALENTS :		
AS AT THE BEGINNING		
Cash and bank Balances	2,307,041	117,013,100
AS AT THE ENDING		
Cash and bank Balances	2,230,694	113,140,800
	2,230,694	113,140,800
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(76,347)	(3,872,300)
Exchange rate used for translation 1USD = Rs.		50.72

For and on behalf of
KALYANIWALLA MISTRY AND ASSOCIATES
 CHARTERED ACCOUNTANTS

Anil A. Kulkarni
 PARTNER

August 25, 2009

For and on behalf of the Board

Manu Parpia
 Director

Ravishankar G.
 Director



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year US Dollars
SCHEDULE 1: SHARE CAPITAL	
Share Capital	2,062,771
TOTAL	2,062,771

Notes:

Issued, Subscribed and Paid Up Capital includes 7583 (Previous Year: 6238)
Shares held by Geometric Limited India, the Holding Company.

SCHEDULE 2: SECURED LOANS

1. BORROWINGS FROM BANKS	
a) Long Term Loan	5,600,000
(Secured by a mortgage on land and buildings owned by a related party through common ownership in India)	
b) Capital Leases Payable	1,961
(Secured by a mortgage on furniture and software)	
b) Cash Credit	8,137,151
(Secured by all assets of the Company, and is subject to various covenants. The note is guaranteed by Geometric Limited)	
	13,739,112
2. INTEREST ACCRUED AND DUE ON SECURED LOANS	61,251
TOTAL	13,800,363

SCHEDULE 3: UNSECURED LOANS

1. LOAN FROM INTER - COMPANY	6,629,158
(Due to Holding Company)	
TOTAL	6,629,158

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	US Dollars	Current Year US Dollars
SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES		
1. SUNDRY DEBTORS		
(Unsecured - Considered good, unless otherwise stated)		
a) Debts outstanding for a period more than 6 months (Including doubtful debts \$ 377,694);	377,694	
b) Other Debts (Including doubtful debts \$ 940,863);	7,843,269	
	8,220,963	
c) Less: Provision for Doubtful Debts	1,318,557	
		6,902,406
2. CASH AND BANK BALANCES		
a) Cash in Hand	-	
b) Balances with Scheduled Banks		
- In Current Accounts	2,185,421	
- In Deposit Accounts	45,273	
		2,230,694
3. LOANS AND ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
a) Advances recoverable in cash or in kind or for value to be received	4,583,270	
b) Sundry Deposits	140,636	
	4,723,906	
Less: Provision for Doubtful Loans & Advances	89,236	
		4,634,670
TOTAL		13,767,770

SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS

1. CURRENT LIABILITIES		
a) Acceptances	-	
b) Sundry Creditors	1,313,047	
- Others	685,024	
c) Inter-Company	7,439,179	
d) Advances and Deposits	242,334	
e) Other Liabilities	2,613,871	
		12,293,455
2. PROVISIONS		
a) For Taxation (Net Of Advance Payment of Taxes)	17,344	
b) For Leave Encashment	528,866	
		546,210
TOTAL		12,839,665



SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year	
	US Dollars	US Dollars
SCHEDULE 6 : OTHER INCOME		
1. Gain on Exchange Difference (Net)		22,677
2. Interest on Advances and Deposits (Gross)		4,277
3. Rent Received		46,414
4. Profit on Sale of Investments (Net)		163,888
5. Royalty Income		2,641
6. Miscellaneous Income		92,427
TOTAL		332,324

SCHEDULE 7 : OPERATING AND OTHER EXPENSES

1. Personnel Expenses		
Salaries, Bonus and Allowances		34,016,490
Staff Welfare Expenses		290,049
2. Software Tools and Packages		843,965
3. Electricity Expenses		311,457
4. Software Development Charges		13,436,829
5. Royalty		1,464,268
6. Rates and Taxes		137,226
7. Rent and Service Charges		2,611,528
8. Repairs and Maintenance		
a) Computers	31,837	
b) Others	155,147	
		186,984
9. Insurance		2,513,203
10. Travelling and Conveyance Expenses		2,392,109
11. Computer Rental Charges		186,434
12. Communication Expenses		639,443
13. Legal and Professional Charges		866,788
14. Advertising and Publicity		296,535
15. Staff Recruitment Expenses		29,515
16. Miscellaneous Expenses		1,110,805
17. Sales and Marketing Expenses		560,959
18. Commission to Non Executive Directors		90,883
19. Loss on Exchange Difference (Net)		16,215
20. Bad Debts Written Off		73,361
21. Provision for Doubtful Debts		1,145,053
22. Provision for Doubtful Advances		37,766
TOTAL		63,257,865

SCHEDULE 8 : INTEREST AND FINANCE CHARGES

1. Other Interest	1,118,852
2. Bank Charges	25,396
TOTAL	1,144,248

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2009

SCHEDULE 9 : NOTES TO ACCOUNTS

1. NATURE OF BUSINESS AND ORGANIZATION

Geometric Technologies Inc. (the "Parent") was incorporated on January 1, 1982, as a Arizona Based corporation and has become a wholly owned subsidiary of Geometric Limited (Holding Company). On March 26, 2009, the Parent acquired 100% shares of the company Geometric Americas, Inc., and since then Geometric Americas Inc. (the "Subsidiary"), a Delaware Corporation, is the wholly owned subsidiary of the Parent. The Parent Company is into the business of software product sale in USA and other neighboring countries. The subsidiary Company is into the business of providing marketing assistance and promotes software products and provides software consulting services for customers in eleven states. Its primary operations are in the Midwestern United States, where it is principally engaged in providing engineering services to major automotive, agricultural, construction equipment manufacturers and related tier suppliers. The subsidiary company has wholly-owned subsidiaries in Romania and France.

2. SIGNIFICANT ACCOUNTING POLICIES

The 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 India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956.

a) Basis of Accounting:

The financial statements have been prepared on accrual basis under the historical cost convention, 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, 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.

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. Leasehold assets are amortized 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
Computers	3
Furniture and Fixtures	10
Software	3-5
Goodwill	10
Machinery and Equipments	13

Goodwill is recorded in accordance with the Accounting Standard 26 "Intangible Assets" and is amortized over a period of ten years.

In case of fixed assets of the subsidiary, Geometric Americas, Inc. depreciation is provided using accelerated methods over the estimated useful life of the asset.

d) Cash and cash equivalents:

The Company considers cash and cash deposits with original maturities of less than 90 days as cash equivalents.

e) Investments:

Long-term investments are valued at cost less provision for diminution in value, if the diminution is other than temporary.

f) Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of



NOTES TO FINANCIAL STATEMENTS MARCH 31, 2009

SCHEDULE 9 : NOTES TO ACCOUNTS (Contd..)

the transaction and subsequent gains/losses are recognized on realization.

The Company'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 into US Dollars are included in current results of operations. Gains and losses resulting from foreign currency transaction are also included in current results of operations.

g) **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.

h) **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.

i) **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 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.

The Royalty expenditure incurred for providing such support and product upgrades services is wholly expensed out in the year of sale.

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. Revenue earned on contracts in process in excess of billings is classified as unbilled work in process and amounts billed in excess of revenue earned are classified as deferred revenue and later recognized as revenue when service is provided to the customer.

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.

j) **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.

k) **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.

l) **Software Expenditure:**

In accordance with 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.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2009

SCHEDULE 9 : NOTES TO ACCOUNTS (Contd..)

m) 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.

n) Goodwill and Impairment :

Goodwill is tested annually for impairment at the reporting unit level. The goodwill impairment test has two steps. The first identifies potential impairments by comparing the fair value of a reporting unit with its book value, including goodwill. If the fair value of the 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 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. The Company performed a valuation and has determined that the carrying value of the goodwill is in excess of fair value of the Company, and accordingly, an impairment of goodwill totaling \$14,829,115 has been recognized in the accompanying consolidated profit and loss account.

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 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.

During the current Period deferred tax assets have not been recognized as the management is of the opinion that there is no reasonable and virtual certainty that sufficient taxable income would be available in future, against which such deferred tax assets can be realised.

p) 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
 - 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.



NOTES TO FINANCIAL STATEMENTS MARCH 31, 2009

SCHEDULE 9 : NOTES TO ACCOUNTS (Contd..)

3. Contingent Liability

There exists a potential liability to the state unemployment commission for underpayment of previous year's tax. Currently, this liability has not been assessed by the state, however, it is estimated that the liability could be approximately \$ 350,000. Currently there is no accrual for this amount recorded in the financial statements.

4. Note Payable – Bank:

The Company had drawn under a revolving credit agreement with a bank an amount of \$ 9,137,151 as at March 31, 2009. The Company may borrow upto \$ 10,000,000 on a revolving basis with interest at the prime rate plus 0.35% (prime rate at March 31, 2009 was 3.25%). 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.

5. Leases:

Operating Lease

Lease expenditure for operating leases is recognized on a straight line basis over the period of lease. Rental expenses for the year ended March 31, 2009 was \$ 3,14,835/- (including termination charges \$ 1,06,484/-) [Previous Year \$ 1,93,603]. The total of future minimum lease payments under non-cancelable operating lease is as under:

Particulars	Current Year	Previous Year
Up to 1 Year	68,124	2,06,851
1 Year – 5 Years	68,124	1,55,253
More than 5 Years	-	-
Total	1,36,248	3,62,104

Disclosure for Geometric Americas Inc. (The Company's subsidiary)

The Subsidiary Company is the lessee of equipment under capital leases expiring through April 2009. The assets and liabilities under the capital leases are reported 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:

Particulars	Amount US Dollar
Cost	261,739
Less : Accumulated Depreciation	165,063
Net	96,676

Depreciation on assets under capital leases charged to expense for the year ended March 31, 2009 was \$ 29,261.

Interest expense on the capital leases for the year ended March 31, 2009 was \$ 2,262.

Minimum future lease payments under the capital leases as on March 31, 2009 and for the next year are detailed in Note 9.

Lease Commitment:

The Company had a non-cancelable lease for office space in Merrimack, New Hampshire, which terminated on May 31, 2008, under which monthly payments of \$ 852 were made. The lease contains provisions for additional charges for operating expenses. Upon termination of this lease, the Company entered into a month –to-month agreement for this office space. Rent expense under this lease was \$ 2,200 for the year ended March 31, 2009.

The Company leases its office space in the state of Arizona, under an operating lease arrangement. Rental expense for the year ended March 31, 2009 was \$ 2,200. The total of future minimum lease payments under non-cancelable operating lease is \$ 56,770 for next one year.

The Company conducts operations from facilities and has various pieces of equipment that are leased under non-cancelable leases expiring at various dates through February 2014. Total rent expense under these leases was \$ 2,424,790 for the year ended March 31, 2009. During the year ended March 31, 2009, the Company terminated three of their facilities leases early and termination fees have been accrued for.

The Company 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 \$ 88,870 for the year ended March 31, 2009.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2009 for each of the next five years are:

Year ended March 31,	Amount US Dollar
2010	1,244,882
2011	554,939
2012	277,213
2013	276,000
2014	276,000
Total	2,629,034

Notes to Financial Statements March 31, 2009

SCHEDULE 9 : NOTES TO ACCOUNTS (Contd..)

6. Profit Sharing Plan/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, 2009 was \$ 27,807/- (Previous Year \$ 27,719/-).

The Company has a 401(k) plan covering substantially all employees who are 21 years of age or older. Participants may prefer 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.

7. Previous years figures for comparison :

Since this is the first year of consolidation, previous year's figures have not been considered.

8. Economic Dependency:

The purchases and sales of Geometric Americas, Inc. (Subsidiary of Company) are fully integrated within the automotive industry. Continued adverse developments in the North American automotive industry could impact the Company's liquidity position and/or require restructuring of the Company's operations, including impairment charges. In addition, a prolonged downturn in the automotive market may also impact both the manufacturers' and the Companies financial solvency potentially resulting in reduced sales, uncollectible

factory receivables, inability to borrow funds, potential liabilities and other additional costs to the Company.

9. Restatement :

For the year ended March 31,2009, an adjustment was made to the financial statements in order to properly reflect prior year taxes payable for the French subsidiary. The net effect of the adjustment was to increase accrued taxes and decreased retained earnings by \$320,163.

10. Consolidation

On March 26, 2009 the Company acquired 100% shares of Geometric Americas Inc., (The Subsidiary), while consolidation as on the reporting date i.e. March 31, 2009, the results of the operations of the subsidiary company for the entire year starting from April 1, 2008 to March 31, 2009 have been considered for the purpose of consolidation.

As per AS – 21, company is required to consolidate the results of the operations of the Subsidiary Company from the date of the acquisition i.e. March 26, 2009. As the holding Company of both the entities (i.e. Parent and the Subsidiary Company) is Geometric Limited, and as the consolidated accounts of Geometric Technologies Inc. are prepared for the purpose of consolidation only, the company has considered the results of the operations as stated in the above paragraph. This methodology is used to avoid practical difficulties in consolidation and it would not have any material impact on consolidation at Geometric Limited (Holding Company).



NOTES TO FINANCIAL STATEMENTS MARCH 31, 2009

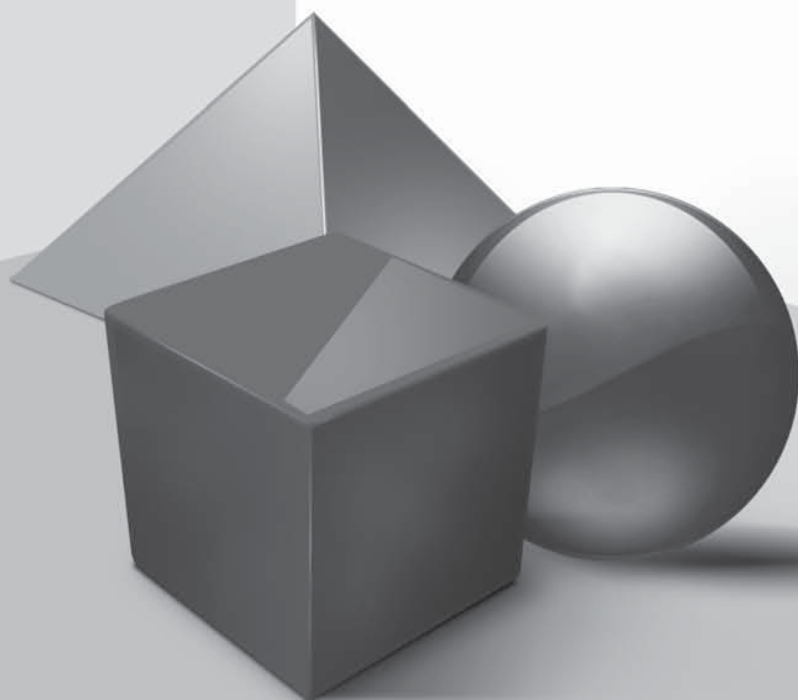
SCHEDULE 9 : NOTES TO ACCOUNTS (Contd..)

	US Dollars	Current Year US Dollars
11. EARNINGS PER SHARE		
a) Net (Loss) / Profit After Tax (Including Extraordinary Items)		(19,639,541)
b) Number of Equity Shares:		
As at the commencement of the year		7,583
Issued during the Year		-
As at the end of the Year		7,583
Weighted Average Number of Equity Shares during the year:		
Basic		7,583
Diluted		7,583
c) Earning per Equity Share of Rs. 272/- each.		
Basic		(2,589.94)
Diluted		(2,589.94)
12. 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		5,050,527
Projects		53,060,774
		58,111,301
Less: Inter Segment Revenue		113,240
Net Sale/Income from Operations		57,998,061
B. Segment Results		
Profit/Loss Before Tax and Interest From Each Segment		
Products		481,724
Projects		(5,975,977)
		(5,494,253)
Less: (i) Interest		1,118,851
(ii) Other Unallocable Expenditure net of unallocable income		15,362,693
		(21,975,797)
Add : Other Income		2,763,202
Total Profit Before Tax		(19,212,595)
C. Segment Capital employed		
		US Dollars
	Products	Projects
Segment Assets	1,535,759	13,044,877
Segment Liabilities	1,024,421	4,337,962
Segment Capital employed	511,337	8,706,915
SECONDARY GEOGRAPHICAL SEGMENTS - REVENUE		
Region		
US		53,561,851
Europe		3,777,716
Asia Pacific		658,494
TOTAL		57,998,061

Geometric Asia-Pacific Pte. Ltd. and Subsidiaries

(Incorporated in the Republic of Singapore)
(Registration Number: 200202986 R)

Annual Financial Statements
for the year ended March 31, 2009



Regd. Office:

78 Shenton Way #26-02A
Singapore 079210



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 31 March 2009.

1. DIRECTORS

The Directors of the Company in office at the date of this report are:

Parpia Manu Mahmud
 Low Tiak Huan
 Ravishankar Gopalakrishnan
 Dr. Ravi Shankar Gopinath (Resigned on 20 February 2009)

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 shares in or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS 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:

Name of Directors	Holding in the name of the Directors		Other holdings in which Directors are deemed to have an interest	
	At 01.04.08	At 31.03.09	At 01.04.08	At 31.03.09
Holding Company				
Geometric Limited				
Manu Parpia	4,955,405	4,715,405	205,000	205,000
Low Tiak Huan	27,110	27,110	-	-
Ravishankar G.	-	-	-	-
Share Options				
Manu Parpia	-	-	-	-
Low Tiak Huan	3,910 *	2,110 #	-	-
Ravishankar G.	100,000 *	100,000	-	-

* Options convertible into shares of INR 2 each.

On 1/12/08, 1,800 share options were lapsed.

Geometric Limited has issued stock option to the 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 interest in the shares of its subsidiary Company.

Except as disclosed above, no director who held office at the end of the financial year had interest in shares, debentures or share options of the Company, or of related corporations, either at beginning or at the end of the financial year.

REPORT OF THE DIRECTORS (CONTD.)

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company 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

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.

BY ORDER OF THE BOARD

Manu Parpia
Director

Ravishankar G.
Director

Singapore,
August 25, 2009

STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying consolidated financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of Geometric Asia Pacific Pte. Ltd. (the "Company") and its subsidiary (the "Group") as at 31 March 2009 and of the results of the business, changes in equity and cash flows of the Company and the Group 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, authorised these financial statements for issue.

ON BEHALF OF THE BOARD

Manu Parpia
Director

Ravishankar G.
Director

Singapore,
August 25, 2009



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEOMETRIC ASIA PACIFIC 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 2009, 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:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) 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 judgement, 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 management, 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.

Basis for qualified opinion on financial statements

The effect of foreign currency revaluation between USD and Renminbi relating to intercompany balances on the financial statements of the subsidiary for the year ended 31 March 2008 had only been taken up in the year ended 31 March 2009. As a result, the opening balances of the subsidiary's financial statements as at 1 April 2008 do not include unrealised foreign exchange losses amounting to approximately S\$ 355,520 which had it been included, would have had a significant impact on the profit or loss of the Group for the year ended 31 March 2009.

Opinion

Except for the matters as stated in the preceding paragraph, in our opinion,

- (a) the consolidated financial statements of the Group and of 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 and the Group as at 31 March 2009 and the results, changes in equity and cash flows of the Company and the Group for the year ended on that date; and
- (b) 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, August 25, 2009

(RK/AJ/NS/HL/XF/ay)

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Note	The Group				The Company			
		2009		2008		2009		2008	
		S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
ASSETS LESS LIABILITIES				Restated	Restated				
Non-Current Asset									
Plant and equipment	5	54,271	1,810,342	58,273	1,648,543	17,479	583,055	22,149	626,595
Goodwill on acquisition	6	-	-	953,123	26,963,850	-	-	-	-
Investment in subsidiary	7	-	-	-	-	-	-	10,948	309,719
		54,271	1,810,342	1,011,396	28,612,393	17,479	583,055	33,097	936,314
Current Assets									
Trade receivables	8	2,810,088	93,737,365	2,559,004	72,394,223	2,429,666	81,047,458	2,405,425	68,049,473
Other receivables, deposits and prepayments	9	1,072,243	35,767,290	1,563,842	44,241,090	1,697,152	56,612,660	1,496,204	42,327,611
Cash and cash equivalents	10	1,266,144	42,235,333	1,822,771	51,566,192	1,171,502	39,078,317	1,760,100	49,793,229
		5,148,475	171,739,988	5,945,617	168,201,505	5,298,320	176,738,435	5,661,729	160,170,313
Current Liabilities									
Trade and other payables	11	4,076,459	135,980,270	4,450,144	125,894,574	2,429,956	81,057,131	3,099,196	87,676,255
Provision for taxation		-	-	375,151	10,613,022	-	-	375,090	10,611,296
		4,076,459	135,980,270	4,825,295	136,507,596	2,429,956	81,057,131	3,474,286	98,287,551
Net Current Assets		1,072,016	35,759,718	1,120,322	31,693,909	2,868,364	95,681,304	2,187,443	61,882,762
Net Assets		1,126,287	37,570,060	2,131,718	60,306,302	2,885,843	96,264,358	2,220,540	62,819,077
EQUITY									
Share capital	12	100,000	3,335,745	100,000	2,829,000	100,000	3,335,745	100,000	2,829,000
Retained earnings		795,772	26,544,923	2,030,583	57,445,193	2,785,843	92,928,614	2,120,540	59,990,077
Translation exchange reserve		230,515	7,689,392	1,135	32,109	-	-	-	-
Total Equity		1,126,287	37,570,060	2,131,718	60,306,302	2,885,843	96,264,358	2,220,540	62,819,077
Exchange rate used for translation : 1 SGD =			33.36		28.29		33.36		28.29

The accompanying notes form an integral part of these financial statements



CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

Note	The Group				The Company			
	2009	2008	2009	2008	2009	2008	2009	2008
	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent	Equivalent
	S\$	INR	S\$	INR	S\$	INR	S\$	INR
			Restated					
Revenue	11,393,888	380,071,029	12,630,287	357,310,819	10,495,547	350,104,665	12,619,997	357,019,715
Cost of services	13 (8,124,807)	(271,022,829)	(8,779,854)	(248,382,070)	(8,079,592)	(269,514,572)	(8,779,854)	(248,382,070)
Gross profit	3,269,081	109,048,200	3,850,433	108,928,750	2,415,955	80,590,094	3,840,143	108,637,645
Other income	14 299,556	9,992,424	98,043	2,773,636	299,186	9,980,081	98,043	2,773,636
Administration expenses	16 (3,341,873)	(111,476,356)	(1,730,679)	(48,960,909)	(1,903,286)	(63,488,764)	(1,632,278)	(46,177,145)
Other operating expenses	17 (1,345,464)	(44,881,246)	(468,637)	(13,257,741)	(30,440)	(1,015,401)	(466,791)	(13,205,517)
(Loss)/Profit before taxation	(1,118,700)	(37,316,977)	1,749,160	49,483,736	781,415	26,066,010	1,839,117	52,028,620
Taxation	18 (116,112)	(3,873,200)	(509,350)	(14,409,512)	(116,112)	(3,873,200)	(509,350)	(14,409,512)
Net (loss)/profit for the Year	(1,234,812)	(41,190,177)	1,239,810	35,074,225	665,303	22,192,810	1,329,767	37,619,108
Exchange rate used for translation : 1 SGD =		33.36		28.29		33.36		28.29

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2009

The Group	Share Capital		Translation Exchange Reserve		Retained Earnings		Total	
	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
As at 1 April 2007 – Company	100,000	3,335,745	-	-	790,773	26,378,169	890,773	29,713,914
Movement for the year	-	-	1,135	37,861	-	-	1,135	37,861
Net profit for the year	-	-	-	-	1,239,810	41,356,898	1,239,810	41,356,898
As at 31 March 2008 - Group	100,000	3,335,745	1,135	37,861	2,030,583	67,735,067	2,131,718	71,108,673
Movement for the year	-	-	229,380	7,651,531	-	-	229,380	7,651,531
Net loss for the year	-	-	-	-	(1,234,812)	(41,190,177)	(1,234,811)	(41,190,144)
As at 31 March 2009	100,000	3,335,745	230,515	7,689,392	795,772	26,544,923	1,126,287	37,570,060

The Company	S\$		Equivalent INR		S\$		Equivalent INR	
	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
As at 1 April 2007	100,000	3,335,745	-	-	790,773	26,378,169	890,773	29,713,914
Profit for the year	-	-	-	-	1,329,767	44,357,634	1,329,767	44,357,634
As at 31 March 2008	100,000	3,335,745	-	-	2,120,540	70,735,803	2,220,540	74,071,548
Profit for the year	-	-	-	-	665,303	22,192,810	665,303	22,192,810
As at 31 March 2009	100,000	3,335,745	-	-	2,785,843	92,928,614	2,885,843	96,264,358
Exchange rate used for translation : 1 RMB =		33.36						

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Note	The Group				The Company			
		2009 S\$	Equivalent INR	2008 S\$	Equivalent INR	2009 S\$	Equivalent INR	2008 S\$	Equivalent INR
				Restated					
CASH FLOWS FROM OPERATING ACTIVITIES									
(Loss)/Profit before tax		(1,118,700)	(37,316,977)	1,749,160	49,483,736	781,415	26,066,010	1,839,116	52,028,592
Adjustments for:									
Depreciation of plant and equipment		31,635	1,055,263	7,100	200,859	19,492	650,203	5,254	148,636
Exchange difference on plant and equipment		(1,491)	(49,736)	-	-	(1,491)	(49,736)	-	-
Impairment of investment in subsidiary		-	-	-	-	10,948	365,197	-	-
Impairment of goodwill		953,123	31,793,751	-	-	-	-	-	-
Interest income		(2,134)	(71,185)	(41,952)	(1,186,822)	(1,764)	(58,843)	(41,952)	(1,186,822)
Operating (loss)/profit before working capital changes		(137,567)	(4,588,884)	1,714,308	48,497,773	808,600	26,972,833	1,802,418	50,990,405
Trade and other receivables		355,231	11,849,600	(1,015,814)	(28,737,378)	(80,788)	(2,694,882)	(1,006,766)	(28,481,410)
Trade and other payables		(110,530)	(3,686,999)	191,699	5,423,165	(669,240)	(22,324,139)	94,656	2,677,818
Cash generated from operations		107,134	3,573,717	890,193	25,183,560	58,572	1,953,812	890,308	25,186,813
Interest received		2,134	71,185	41,952	1,186,822	1,764	58,843	41,952	1,186,822
Taxation paid		(635,665)	(21,204,162)	(381,713)	(10,798,661)	(635,603)	(21,202,094)	(381,828)	(10,801,914)
Net cash (used in)/generated from operating activities		(526,397)	(17,559,261)	550,432	15,571,721	(575,267)	(19,189,439)	550,432	15,571,721
			-		15,571,721		-		-
CASH FLOWS FROM INVESTING ACTIVITY									
Acquisition of plant and equipment		(22,330)	(744,872)	(26,522)	(750,307)	(13,331)	(444,688)	(26,522)	(750,307)
Investment in subsidiary		-	-	-	-	-	-	(10,948)	(309,719)
Acquisition of subsidiary, net of cash	21	-	-	51,723	1,463,244	-	-	-	-
Net cash (used in)/generated from investing activities		(22,330)	(744,872)	25,201	712,936	(13,331)	(444,688)	(37,470)	(1,060,026)
Net (decrease)/increase in cash and cash equivalents		(548,727)	(18,304,132)	575,633	16,284,658	(588,598)	(19,634,127)	512,962	14,511,695
Cash and cash equivalents at beginning of year		1,822,771	60,802,989	1,247,138	35,281,534	1,760,100	58,712,445	1,247,138	35,281,534
Effect of exchange rate on cash held		(7,900)	(263,524)	-	-	-	-	-	-
Cash and cash equivalents at end of year (Note 10)		1,266,144	42,235,333	1,822,771	51,566,192	1,171,502	39,078,317	1,760,100	49,793,229
Cash and cash equivalents comprise:									
Cash and bank balances		1,266,144	42,235,333	1,822,771	51,566,192	1,171,502	39,078,317	1,760,100	49,793,229
Exchange rate used for translation : 1 RMB =			33.36		28.29		33.36		28.29



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

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 the 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 2009 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, a company incorporated in India, which is also the Company's ultimate holding corporation.

The financial statements of the Group for the year ended 31 March 2009 were authorised for issue in accordance with a resolution of the Directors on August 25, 2009.

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 dollar ("SGD or S\$") are prepared based 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 judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reporting 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.

There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity to be disclosed in Note 3.

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or after 1 April 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies except as disclosed in Note 3 and has no material effect on the amounts reported for the current or prior years.

The Company 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 generally 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 recognised gains on transactions between group companies are eliminated; recognised losses are

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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 operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured 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 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 reports 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 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 share 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 recognised 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 recognised separately as intangible assets and carried at cost less accumulated impairment loss.

Negative goodwill is recognised in the income statement immediately upon the acquisition of subsidiaries.

2.5 Plant and Equipment

2.5.1 Measurement

All other items of property, plant and equipment are initially recognised 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 plant and equipment over their estimated useful lives as follows:

	Years
Computer	3
Building fixtures	10
Furniture and fittings	3 - 5
Office equipments	3

The useful lives 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 recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost



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of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance 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. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

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 recognised in the income statement as follows:

2.6.1 Time and Material Contracts

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 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.

2.6.3 Other Revenue

Revenue from sale of traded software products and software upgrading fee is recognised when the sale has been completed with the passing of the title. Revenue from software upgrading fees on software developed by the Group is recognised 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 Currency

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 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 the 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 commitment 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

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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 Group if the Group 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 Group 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 into 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

Plant and Equipment

Investment in Subsidiary

Deferred expenditure

Plant and equipment, investments in subsidiary, deferred expenditure and other receivable are 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 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 of 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 recognised or depreciation) had no impairment loss been recognised for the 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.



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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 a 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 Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.13 Trade and Other Receivable

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 flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement.

2.14 Trade and Other Payables

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 recognised as well as through the recognised process.

2.15 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.

2.16 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.

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense 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 risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

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.

2.17 Operating Leases

Leases 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 leases (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 payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.18 Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are recognised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the income statement using the effective interest rate method.

2.19 Employee Benefits

2.19.1 Defined Contribution Pension Costs

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate

entities such as the 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 Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

2.19.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

2.20 Income Taxes

Current income tax liabilities (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 profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be recognised.

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 recognised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

- (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.

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 provision 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 recognised 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. PRIOR YEAR ADJUSTMENTS

In the previous year, the Group financial statements had been prepared based on the management account maintained by Geometric Engineering Inc., a related corporation incorporated in the United States of America, which was the former holding company of the subsidiary. The management account was audited for the year ended 31 December 2007.

In the current year, the Group comparative figures have been based on consolidated financial statements prepared using the management account statements maintained by the management of the subsidiary.

The opening balances for the 2009 subsidiary's figures were ascertained by the subsidiary's auditors based on their limited review of the financial statements for the period from 1 January to 31 March 2008. As the result of the prior year adjustments, the previous year's Group financial statements have been restated as follows:

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

Consolidated Income Statement

	As Per 2008 Audited S\$	2008 Restated S\$
Revenue	12,645,312	12,630,287
Cost of services	(8,796,348)	(8,779,854)
Gross profit	3,848,964	3,850,433
Other income	98,050	98,043
Administration expenses	(1,731,591)	(1,730,680)
Other operating expenses	(468,117)	(468,637)
Profit from operating	1,747,306	1,749,159
Taxation	(509,350)	(509,350)
Net profit for the year	1,237,956	1,239,809

Consolidated Balance Sheet

	As per 2008 Audited FS S\$	2008 Restated S\$
Non-current Assets		
Plant and equipment	40,025	58,273
Goodwill on acquisition	995,353	953,123
	1,035,378	1,011,396
Current Assets		
Trade receivables	2,409,016	2,559,004
Other receivables, deposits and prepayments	1,552,430	1,563,842
Cash and cash equivalent	1,833,447	1,822,771
	5,794,893	5,945,617
Current Liabilities		
Trade and other payables	4,324,568	4,450,144
Provision for taxation	375,816	375,151
	4,700,384	4,825,295
Net Current Assets	1,094,509	1,120,322
Net Assets	2,129,887	2,131,718
Equity		
Share capital	100,000	100,000
Retained earnings	2,028,729	2,030,583
Translation exchange reserve	1,158	1,135
	2,129,887	2,131,718



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

5. PLANT AND EQUIPMENT

The Group

2009	Building Fixtures S\$	Computer S\$	Furniture & Fittings S\$	Total S\$
Cost				
At 01.04.08	11,955	67,608	11,528	91,091
Additions	-	8,999	13,331	22,330
Translation adjustment	1,693	7,256	1,633	10,582
At 31.03.09	13,648	83,863	26,492	124,003
Accumulated Depreciation				
At 01.04.08	-	29,458	3,360	32,818
Depreciation for the year	2,927	13,156	15,552	31,635
Translation adjustment	1,125	3,444	710	5,279
At 31.03.09	4,052	46,058	19,622	69,732
Carrying Amount				
At 31.03.09	9,596	37,805	6,870	54,271
2008	Building Fixtures S\$	Computer S\$	Furniture & Fittings S\$	Total S\$
Restated				
Cost				
At 01.04.07	-	7,009	-	7,009
Additions	11,955	3,039	11,528	26,522
Additions from subsidiary	-	57,560	-	57,560
At 31.03.08	11,955	67,608	11,528	91,091
Accumulated Depreciation				
At 01.04.07	-	6,128	-	6,128
Depreciation for the year	-	3,740	3,360	7,100
Additions from subsidiary	-	19,613	-	19,613
Translation adjustment	-	(23)	-	(23)
At 31.03.08	-	29,458	3,360	32,818
Carrying Amount				
At 31.03.08	11,955	38,150	8,168	58,273

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

5. PLANT AND EQUIPMENT - Cont'd

The Company

2009	Building Fixtures S\$	Computer S\$	Furniture & Fittings S\$	Total S\$
Cost				
At 01.04.08	11,955	10,048	11,528	33,531
Additions	-	-	13,331	13,331
Exchange difference	1,693	-	1,633	3,326
At 31.03.09	13,648	10,048	26,492	50,188
Accumulated Depreciation				
At 01.04.08	-	8,022	3,360	11,382
Depreciation for the year	2,927	1,013	15,552	19,492
Exchange difference	1,125	-	710	1,835
At 31.03.09	4,052	9,035	19,622	32,709
Carrying Amount				
At 31.03.09	9,596	1,013	6,870	17,479

2008	Building Fixtures S\$	Computer S\$	Furniture & Fittings S\$	Total S\$
Cost				
At 01.04.07	-	7,009	-	7,009
Additions	11,955	3,039	11,528	26,522
At 31.03.08	11,955	10,048	11,528	33,531
Accumulated Depreciation				
At 01.04.07	-	6,128	-	6,128
Depreciation for the year	-	1,894	3,360	5,254
At 31.03.08	-	8,022	3,360	11,382
Carrying Amount				
At 31.03.08	11,995	2,026	8,168	22,149

6. GOODWILL ON ACQUISITION

The Group	S\$
Cost	
At 2 February 2008, 31 March 2008 and 31 March 2009	953,123
Impairment losses	
At 2 February 2008 and 31 March 2008	-
Impairment loss for the year	953,123
At 31 March 2009	953,123
Carrying amount	
At 31 March 2008	953,123
At 31 March 2009	-



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

7. INVESTMENT IN SUBSIDIARY

	2009 S\$	2008 S\$
Unquoted equity, at cost	10,948	10,948
Less: Impairment loss	(10,948)	-
	-	10,948

Details of the subsidiary are as follows:

Name of Company	Country of incorporation	Effective equity held by the Group		Cost of investment	
		2009 %	2008 %	2009 S\$	2008 S\$
Geometric China, Inc.*	China	100	100	10,948	10,948

The principal activity of its subsidiary is the designing of automobiles and their spare parts.

On 18 January 2008, the Company had entered into an agreement with Mr. Michael, Mr. Connell, CEO of Geometric Engineering Inc. in USA to acquire the entire equity of USD140,000 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.

* Audited by My Whole Way Certified Public Accountants, Shanghai, the People's Republic of China.

8. TRADE RECEIVABLES

	The Group		The Company	
	2009 S\$	2008 S\$	2009 S\$	2008 S\$
Trade receivables	2,810,088	Restated 2,585,678	2,429,666	2,432,099
Less: Impairment				
Balance at beginning of year	26,674	9,590	26,674	9,590
Allowance made during the year	-	17,298	-	17,298
Allowance no longer required	(26,674)	(214)	(26,674)	(214)
Balance at end of year	-	(26,674)	-	(26,674)
	2,810,088	2,559,004	2,429,666	2,405,425

The carrying amounts of trade receivables approximate their fair values.

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		The Company	
	2009 S\$	2008 S\$	2009 S\$	2008 S\$
		Restated		
Japanese Yen	767,796	858,519	767,796	858,519
Singapore Dollar	87,740	27,000	87,740	27,000
United States Dollar	1,574,130	1,519,906	1,574,130	1,519,906
China Renminbi	380,422	153,579	-	-
	2,810,088	2,559,004	2,429,666	2,405,425

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

8. TRADE RECEIVABLES (Contd.)

The aging of trade receivables at the reporting date is:

The Group	Impairment		Impairment	
	Gross	losses	Gross	losses
	2009	2009	2008	2008
	S\$	S\$	S\$	S\$
Not past due	1,565,382	-	Restated 1,207,267	Restated -
Past due 31 - 60 days	95,324	-	405,513	-
Past due 61 - 90 days	351,181	-	619,340	-
More than 90 days	798,201	-	353,558	26,674
	2,810,088	-	2,585,678	26,674

The Company	Impairment		Impairment	
	Gross	losses	Gross	losses
	2009	2009	2008	2008
	S\$	S\$	S\$	S\$
Not past due	1,319,307	-	1,202,686	-
Past due 31 - 60 days	95,324	-	405,513	-
Past due 61 - 90 days	351,181	-	619,340	-
More than 90 days	663,854	-	204,560	26,674
	2,429,666	-	2,432,099	26,674

The Company and the Group did not make any impairment allowance during the year on the basis that customers have confirmed to pay most of the debts by the end of April 2009. These receivables are mainly arising by customers that have good record with the Company.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Amount due from subsidiary	-	-	686,529	-
Advance costs	641,819	1,264,475	641,819	1,264,475
Deposits	141,038	147,245	79,361	79,607
Prepayment	70,721	76,105	70,721	76,105
Amount due from staff	22,191	76,017	22,191	76,017
Other receivables	52,073	-	52,130	-
Tax refundable	144,401	-	144,401	-
	1,072,243	1,563,842	1,697,152	1,496,204

The carrying amounts of other receivables approximate their fair values.

Amount due from subsidiary is unsecured, non-interest bearing and no fixed term of repayment.



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Contd.)

Other receivables are denominated in the following currencies:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Japanese Yen	392,519	207,623	392,519	207,623
Singapore Dollar	155,847	22,351	155,847	22,351
United States Dollar	452,844	1,320,701	1,139,373	1,264,475
Korean Won	1,511	1,755	1,511	1,755
China Renminbi	69,522	-	7,902	-
	1,072,243	1,552,430	1,697,152	1,496,204

10. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Cash and bank balances	1,266,144	1,822,771	1,171,502	1,760,100

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Japanese Yen	739,696	712,843	739,696	712,843
Singapore Dollar	7,001	159,025	7,001	159,025
United States Dollar	412,650	851,586	406,145	851,586
Korean Won	18,660	36,646	18,660	36,646
China RMB	88,137	62,671	-	-
	1,266,144	1,822,771	1,171,502	1,760,100

11. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Trade payables	2,401	39,139	2,401	39,139
Advance billings	51,029	47,148	36,475	47,148
Amount due to holding corporation				
- trade	2,233,875	3,836,830	2,153,566	2,508,633
Amount due to related companies	1,530,251	-	-	-
Accrued operating expenses	197,225	421,251	186,938	412,116
Amount due to directors	-	92,160	-	92,160
Other payables	61,678	13,616	50,576	-
	4,076,459	4,450,144	2,429,956	3,099,196

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

Amount due to holding company and related companies are unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Japanese Yen	160,134	878,465	160,134	878,465
Singapore Dollar	72,844	2,217,198	72,844	2,217,198
United States Dollar	2,191,559	3,533	2,191,559	3,533
Korean Won	2,401	-	2,401	-
China Renminbi	1,649,521	1,350,948	3,018	-
	4,076,459	4,450,144	2,429,956	3,099,196

12. SHARE CAPITAL

	2009		2008	
	No. of shares	S\$	No. of shares	S\$
Ordinary shares Issued and fully paid				
At beginning and end of the year	100,000	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.

13. COST OF SERVICES

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
Cost of services include the following:		Restated		
Staff costs				
Wages, salaries and related costs	3,252,955	3,030,580	3,252,955	3,030,580
Defined contribution pension costs	437,578	408,300	437,578	408,300
(Note 15)	3,690,533	3,438,880	3,690,533	3,438,880

14. OTHER INCOME

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Interest income	2,134	41,952	1,764	41,952
Gain on foreign exchange	268,749	-	268,749	-
Other	28,673	56,091	28,673	56,091
	299,556	98,043	299,186	98,043



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

15. STAFF COSTS

Staff costs (including executive directors)

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Salaries, bonus and other related costs	4,819,322	3,926,051	4,067,497	3,883,268
Defined contribution pension costs	480,150	438,360	480,150	438,360
	5,299,472	4,364,411	4,547,647	4,321,628
Less: included in cost of services (Note 13)	(3,690,533)	(3,438,880)	(3,690,533)	(3,438,880)
	1,608,939	925,531	857,114	882,748

16. ADMINISTRATION EXPENSES

Administration expenses include:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Professional fees	182,186	109,790	182,186	105,194
Sales commission	144,694	260,683	144,694	260,683
Travelling expenses	282,021	164,450	180,558	159,858

17. OTHER OPERATING EXPENSES

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Depreciation	31,635	7,100	19,492	5,254
Loss on foreign exchange	360,706	461,537	-	461,537
	392,341	468,637	19,492	466,791

18. TAXATION

Major components of income tax expense for the year ended 31 March 2009 were:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		
Based on results for the year:				
Current Taxation				
- current year	115,000	154,870	115,000	154,870
- under-provision in prior year	-	3,032	-	3,032
Foreign tax	1,112	351,448	1,112	351,448
	116,112	509,350	116,112	509,350

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

18. TAXATION (Contd.)

A reconciliation between the tax expense and the product of accounting result multiplied by the applicable tax rate for the year ended 31 March 2009 was as follows:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
(Loss)/Profit before taxation	(165,576)	Restated 1,749,159	792,363	1,839,117
Tax expense on (Loss)/profit before tax at 18% (2008: 18%)	(29,804)	314,849	142,625	331,041
Non-deduction expenses	182	341	182	341
Unutilised tax losses	172,429	-	-	-
Under-provision in prior years	-	3,032	-	3,032
Tax exemption	(27,450)	(27,450)	(27,450)	(27,450)
Others	7,029	157	7,029	3,159
Utilisation of capital allowances	-	(547)	-	(547)
Foreign tax	(6,274)	218,968	(6,274)	199,774
Income tax as per income statement	116,112	509,350	116,112	509,350

Unrecognised deferred tax assets:

Deferred tax assets have not been recognised in respect of the following items:

Others	182	365	182	365
Tax losses	172,429	-	-	-

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.

19. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		Restated
Holding company				
- services rendered from	4,465,625	5,340,974	4,389,059	5,340,974

Directors' remuneration

The Company directors' remuneration amounts to S\$170,418 (2008: S\$191,520).

Rental Paid to a Director

Rental paid to a director amounts to S\$6,944 (2008: S\$750).



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

20. OPERATING LEASE COMMITMENT

Rental expenses for offices for the Company and the Group were S\$ 98,490 (2008: restated S\$ 57,766) and S\$ 283,597 (2008: restated S\$ 193,360). The leases have varying terms, escalation clauses and renewal rights. Future minimum rental under non-cancellable leases contracted for at balance sheet date but not recognised as liabilities are as follow as at 31 March:

	The Group		The Company	
	2009	2008	2009	2008
	S\$	S\$	S\$	S\$
		Restated		Restated
Payable within 1 year	220,323	273,655	73,068	74,860
Payable within 2 - 5 years	-	132,542	-	-
	220,323	406,197	73,068	74,860

21. ACQUISITION OF SUBSIDIARY

On 18 January 2008, the Company has entered into an agreement with Mr. Michael, Mr. Connell, CEO of Geometric Engineering Inc. in USA to acquire the entire equity of USD140,000 free of charge. The effective date of the share transfer is on 1 February 2008.

	Carrying amounts	Fair value adjustments	Recognised value
	2008	2008	2008
	S\$	S\$	S\$
	Restated	Restated	Restated
Plant and equipment	37,947	-	37,947
Cash and cash equivalents	62,671	-	62,671
Other receivables	211,058	-	211,058
Other payables	(1,253,851)	-	(1,253,851)
Net identifiable assets and liabilities	(942,175)	-	(942,175)
Goodwill on acquisition			953,123
Cash consideration paid, satisfied in cash			10,948
Cash acquired			62,671
Net cash inflow			51,723

Pre-acquisition carrying amounts were determined based on applicable FRs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair value.

22. 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.

Information regarding financial assets that are either past due or impaired is disclosed in Note 7 (trade receivables).

NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

22. FINANCIAL INSTRUMENTS - (Contd.)

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 Group to keep track of exchange rate fluctuations such that funds are converted at favourable exchange rates.

The Group's exposures to major foreign currency are as follows:

2009	JPY S\$	USD S\$	CNY S\$	KRW S\$
Trade and other receivables	1,160,315	2,026,974	449,944	1,511
Cash and cash equivalents	739,696	412,650	88,137	18,660
Trade and other payables	(160,134)	(2,191,559)	(1,649,521)	(2,401)
	1,739,877	248,065	(1,111,440)	17,770
2008				
Trade and other receivables	1,066,142	2,840,607	153,579	1,755
Cash and cash equivalents	712,843	851,586	62,671	36,646
Trade and other payables	(878,465)	(3,533)	(1,350,948)	-
	900,520	3,688,660	(1,134,698)	38,401

Sensitivity analysis

A 5% strengthening of SG dollar against the following currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit /(loss) S\$
As at 31 March 2009	
Japanese Yen	(86,994)
United States Dollar	(12,403)
Chinese Renminbi	55,572
Korean Won	(889)
	(44,714)
As at 31 March 2008	
Japanese Yen	(45,026)
United States Dollar	(184,433)
Chinese Renminbi	56,735
Korean Won	(1,920)
	(174,644)

A 5% weakening of SG dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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.



NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

22. FINANCIAL INSTRUMENTS - (Contd.)

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.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

The Group Non-derivative financial liabilities	Carrying amount S\$	Contractual cash flows S\$	Cash flows		
			Within 1 year S\$	Within 1 to 5 years S\$	More than 5 years S\$
2009					
Trade and other payables	4,076,459	4,076,459	4,076,459	-	-
2008					
Trade and other payables	4,450,144	4,450,144	4,450,144	-	-

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 does not engage in transactions involving financial derivatives.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified so as to conform to the current financial year presentation.

Detailed Income Statement for the year ended March 31, 2009

	2009 S\$
Revenue	10,495,547
COST OF SALES	
COS - CPF/House Funds	437,578
COS - Insurance	331,473
COS - Salaries	2,667,748
COS - Software services	4,389,059
COS - Staff accommodation	253,734
	8,079,592
Gross profit	2,415,955
Other Incomes	
Interest income	1,764
Other income	28,673
Gain on foreign exchange	268,749
	299,186
	2,715,141
Less:	
Administration expenses	1,903,286
Other operating expenses	30,440
	1,933,726
Profit before taxation	781,415

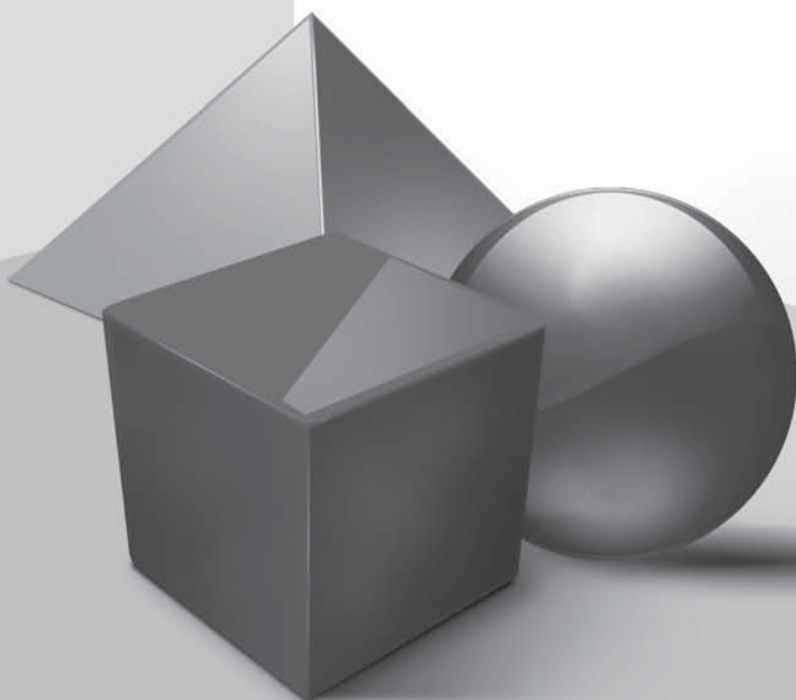
NOTES TO THE FINANCIAL STATEMENTS - MARCH 31, 2009

Schedule of operating expenditure for the year ended March 31, 2009

	2009 S\$
Administration expenses	
Accountancy fees	106,231
Advertisement	59,330
Audit fee	44,308
Bad debts	121,214
Bank charges	18,795
CPF contributions	42,572
Director sales commission	41,586
Directors' emoluments	109,944
Entertainment	16,340
General expenses	17,010
Gifts	551
Insurance	28,842
Medical fees	-
Office rental	97,392
Office supplies	
Other loss	-
Postage and courier	6,485
Printing and stationery	8,327
Professional fees	182,186
Repair and maintenance of office equipment	2,880
Salaries, allowances and bonus	518,318
Sales commission	144,694
Secretarial and filing fees	2,441
Staff accommodation	9,370
Staff welfare	9,073
Tax fee	7,447
Telephone charges	39,200
Transport charges	83,239
Travelling expenses	180,558
Utilities	4,953
	1,903,286
Other operating expenses	
Allowance for impairment	10,948
Depreciation of plant and equipment	19,492
	30,440
Total operating expenses	1,933,726

Geometric China, Inc.

Annual Report and Accounts
for the year ended March 31, 2009



Regd. Office:

Geometric China, Inc.
7G, 855 South Pudong Rd
Pudong New Area, Shanghai, PRC

STATEMENT BY DIRECTOR

In the opinion of the director, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the company as at March 31, 2009 and the results, changes in equity and cash flows of the company for the year then ended 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.

By order of the Board

Ravishankar G.

Date: August 25, 2009

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEOMETRIC CHINA, INC.

We have audited the accompanying financial statements of Geometric China, Inc., which comprise the balance sheet as at March 31, 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management' Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International 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 accompanying financial statements are properly drawn up in accordance with the provisions of International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2009 and the results, changes in equity and cash flows of the company for the year then ended.

This report has been prepared for the purpose of preparation of consolidated financial statements of Geometric Asia Pacific Pte. Ltd. for the year ended March 31, 2009.

My Whole Way CPAs

Shanghai, The People's Republic of China

2009



BALANCE SHEET FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009

Assets	Note	2009 RMB	Equivalent INR	2008 RMB	Equivalent INR
Property, plant and equipment	4	165,581	1,265,686	183,069	1,043,166
Total non-current assets		165,581	1,265,686	183,069	1,043,166
Trade receivables	5	1,712,070	13,086,909	786,400	4,481,072
Sundry receivables, deposits & prepayments	6	277,317	2,119,786	342,770	1,953,175
Cash and bank balances	7	425,932	3,255,786	317,599	1,809,746
Total current assets		2,415,319	18,462,481	1,446,769	8,243,994
Total assets		2,580,900	19,728,167	1,629,838	9,287,159
Liabilities					
Trade and other payable	8	10,424,688	79,685,377	4,975,156	28,349,484
Taxation		49,966	381,936	317	1,806
Total current liabilities		10,474,654	80,067,312	4,975,473	28,351,290
Owners' equity					
Paid-up capital	9	1,125,552	8,603,618	1,125,552	6,413,632
Retained earnings		(9,019,306)	(68,942,763)	(4,471,187)	(25,477,762)
Total owners' equity		(7,893,754)	(60,339,145)	(3,345,635)	(19,064,131)
Total liabilities and owners' equity		2,580,900	19,728,167	1,629,838	9,287,159
Exchange rate used for translation : 1 RMB =			7.64		5.70

The accompanying notes are an integral part of these financial statements.

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009

	Note	2009 RMB	Equivalent INR	2008 RMB	Equivalent INR
Revenue	10	4,290,074	32,792,940	890,119	5,072,085
Business tax		(215,928)	(1,650,534)	(44,699)	(254,704)
Gross profit		4,074,146	31,142,405	845,420	4,817,381
Administrative and general expenses		(6,927,171)	(52,950,672)	(3,061,652)	(17,445,936)
Operating Loss	11	(2,853,025)	(21,808,266)	(2,216,232)	(12,628,555)
Finance (expenses)/income	12	(1,695,094)	(12,957,146)	1,436	8,183
Loss before taxation		(4,548,119)	(34,765,412)	(2,214,796)	(12,620,373)
Income tax	13	-	-	-	-
Net loss		(4,548,119)	(34,765,412)	(2,214,796)	(12,620,373)
Exchange rate used for translation : 1 RMB =			7.64		5.70

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN OWNER'S EQUITY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009

	Paid-in Capital		Retained Earnings		Total	
	RMB	Equivalent INR	earnings	Equivalent INR	Total	Equivalent INR
Balance at April 1, 2009	1,125,552	8,603,618	(2,256,391)	(17,247,650)	(1,130,839)	(8,644,032)
Net Loss for the year 2008	-	-	(2,214,796)	(16,929,701)	(2,214,796)	(16,929,701)
Balance at March 31, 2008	1,125,552	8,603,618	(4,471,187)	(34,177,351)	(3,345,635)	(25,573,733)
Net Loss for the year 2009	-	-	(4,548,119)	(34,765,412)	(4,548,119)	(34,765,412)
Balance at March 31, 2009	1,125,552	8,603,618	(9,019,306)	(68,942,763)	(7,893,754)	(60,339,145)

The accompanying notes are an integral part of these financial statements.



CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009

	2009 RMB	Equivalent INR	2008 RMB	Equivalent INR
Cash flows from operating activities:				
Net loss for the year	(4,548,119)	(34,765,412)	(2,214,796)	(12,620,373)
Adjustments to reconcile net profit to net cash generated from operating activities:				
Depreciation of fixed assets	57,987	443,247	54,910	312,889
FA repair and renovation written off	-	-	355,307	-
Loss of unrealized foreign exchange	1,696,000	12,964,071	-	-
Interest income	(1,767)	(13,507)	(1,436)	(8,183)
Operating loss before working capital changes	(2,795,899)	(21,371,600)	(1,806,015)	(10,291,053)
Net increase in trade and other receivables	(860,217)	(6,575,421)	(844,396)	(4,811,546)
Net increased in trade and other payables	3,803,182	29,071,181	2,902,581	16,539,516
Cash generated from operations	147,066	1,124,159	252,170	1,436,918
Interest income	1,767	13,507	1,436	8,183
Net cash generated from operating activities	148,833	1,137,666	253,606	1,445,100
Cash flows from investing activities:				
Purchase equipment	(40,500)	(309,578)	(10,800)	(61,541)
Net cash used in investing activities	(40,500)	(309,578)	(10,800)	(61,541)
Net decreased in cash and cash equivalents	108,333	828,088	242,806	1,383,560
Cash and cash equivalents at the beginning of the year	(317,599)	(2,427,698)	74,793	426,186
Cash and cash equivalents at the end of the year	425,932	3,255,786	317,599	1,809,746
Exchange rate used for translation : 1 RMB =		7.64		5.70

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Geometric China, Inc. is a wholly foreign owned enterprise registered in Shanghai Pudong New Area Municipal People's Government on 12 December 2005. The registered capital of the Company is USD140,000. On 25 February 2008, the ownership of the USD 140,000 of paid up capital was transferred from Michael Mc Connell to Geometric Asia Pacific Pte. Ltd.

The principal activities of the Company are developing, designing, marketing and selling of engineering solutions, services and technologies for vehicle and heavy-duty equipment; supplying related after sales service and technical consultation. The registered and operating address of the company is 7EFGH, 855 South Pudong Road, Shanghai, China.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis Of Preparation

The financial statements are prepared based on the management accounts of the Company. The principal accounting policies adopted in the preparation of the management accounts are in conformity with the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People Republic of China (the "MOF"), which differ in certain respects from International Financial Reporting Standards ("IFRS"). These financial statements have incorporated adjustments made to the management accounts in order to conform with IFRS.

The amounts shown in these financial statements are presented in Renminbi ("RMB").

2.2 Accounting year

The accounting year of the Company is from 1 April 2008 to March 31, 2009.

2.3 Plant and Equipment

2.3.1 Plant and Equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated

depreciation and accumulated impairment losses.

2.3.2 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.

2.3.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment less residual value over their estimated useful lives as follows:

	Years
Computer	3
Office equipments	3

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

2.3.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expense in the income statement during the financial year in which it is incurred.

2.3.5 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. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.4 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably,



NOTES TO FINANCIAL STATEMENTS (CONTD...)

revenue is recognised in the income statement as follows:

2.4.1 Time and Material Contracts

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 dispatched to customers.

2.4.2 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.

2.4.3 Other Revenue

Revenue from sale of traded software products and software upgrading fee is recognised when the sale has been completed with the passing of the title. Revenue from software upgrading fees on software developed by the Group is recognised over the period for which it is received.

2.4.4 Interest Income

Interest income is measured on a time proportion basis using the effective interest method.

2.5 Foreign Currency

2.5.1 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in RMB, which is the Company's functional and presentation currency.

Foreign Currencies Transactions

The functional currency is the Renminbi ("RMB") as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the

rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the balance sheet and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the income statement except when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

2.6 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 Company 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 Company 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.

2.7 Related Parties

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management

NOTES TO FINANCIAL STATEMENTS (CONTD...)

personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

The company is a subsidiary of Geometric Asia Pacific Pte. Ltd, incorporated in Singapore.

There are transactions and arrangements between the company and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current inter-company balances are unsecured without fixed repayment terms and interest unless stated otherwise.

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into 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 Company's cash management.

2.9 Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down through the income statement to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income statement. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current

market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.11 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 Company will



NOTES TO FINANCIAL STATEMENTS (CONTD...)

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 flows, 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 derecognised as well as through the amortisation process.

2.12 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.

2.13 Provisions

Provisions are recognised when the Company 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 Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense 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 risks

specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

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.

2.14 Operating Leases

Leases 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 leases (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 payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the income statement using the effective interest rate method.

2.16 Employee Benefits

Pursuant to the relevant regulations of the PRC government, the company has participated in a local municipal government retirement benefit and housing schemes (the "Schemes"), whereby the company is required to contribute a certain percentage of the basic salaries of its employees to the Schemes to fund their retirement and housing benefits. The local municipal government undertakes to assume the retirement and housing benefits obligations of all existing and future employees of the company. The only obligation of the company with respect to the Schemes is to pay the ongoing required contributions under the

NOTES TO FINANCIAL STATEMENTS (CONTD...)

Schemes mentioned above. Contributions under the Schemes are charged to the income statement as and when they are incurred.

For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

2.17 Income Taxes

Current income tax liabilities (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 profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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 realised 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 JUDGEMENTS, ASSUMPTION AND ESTIMATION UNCERTAINTIES

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, 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. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful accounts:

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the



NOTES TO FINANCIAL STATEMENTS (CONTD...)

receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Deferred tax estimation:

Management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

Impairment of advance costs

The Company determines the recoverability of the costs incurred on contracts that cannot be billed. This determination requires significant judgment. The Company exercises its judgment using historical and industry trends, general market conditions, forecasts and other available information. An error in the judgment may impact the amount of advance cost to be carried in the balance sheet.

4. PLANT AND EQUIPMENT

	Computer and office equipment	Total
Cost:	RMB	RMB
As at 1 April 2008	291,700	291,700
Additions	40,500	40,500
As at March 31, 2009	332,000	332,000
Accumulated depreciation:		
As at 1 April 2008	(108,631)	(108,631)
Additions	(57,988)	(57,988)
As at 1 March 2009	(166,619)	(166,619)
Net book value:		
As at March 31, 2009	165,581	165,581

	Computer and office equipment	Total
Cost:	RMB	RMB
As at 1 April 2007	280,900	280,900
Additions	10,800	10,800
As at March 31, 2008	291,700	291,700
Accumulated depreciation:		
As at 1 April 2007	(53,721)	(53,721)
Additions	(54,910)	(54,910)
As at 1 March 2008	(108,631)	(108,631)
Net book value:		
As at March 31, 2008	183,069	183,069

5. TRADE RECEIVABLES

	2009	2008
	RMB	RMB
Trade receivables		
Third parties	367,953	22,906
Amount due from related company	1,344,117	763,494
	1,712,070	786,400
Less: impairment		
Balance at beginning of year	-	-
Allowance made during the year	-	-
Allowance no longer required	-	-
Balance at end of year	-	-
	1,712,070	786,400

The carrying amounts of trade receivables approximate their fair values. No provision for impairment of trade debt for the company.

Amount due from related company is unsecured, non-interest bearing and no fixed term of repayment.

The Company 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:

	2009	2008
	RMB	RMB
Renminbi	367,953	22,906
United States Dollar	1,344,117	763,494
	1,712,070	786,400

NOTES TO FINANCIAL STATEMENTS (CONTD...)

Aging of trade receivables at the reporting date is:

	2009 RMB	2008 RMB
Past due 61 - 90 days	367,953	22,906
More than 90 days	1,344,117	763,494
	1,712,070	786,400

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2009 RMB	2008 RMB
Deposits	277,574	342,770
Prepayment	(256)	-
	277,317	342,770

The carrying amounts of other receivables approximate their fair values and dominated by Renminbi currency.

7. CASH AND CASH EQUIVALENTS

	2009 RMB	2008 RMB
Cash and bank balances	425,933	317,599

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents are denominated in the following currencies:

	2009 RMB	2008 RMB
Renminbi	396,657	317,497
United States Dollar	29,276	102
	425,933	317,599

8. TRADE AND OTHER PAYABLES

	2009 RMB	2008 RMB
Trade and other payables		
Amount due to holding company	3,064,647	-
Amount due to related companies	7,248,245	4,859,860
Employee benefits	46,296	46,296
Other payables	65,500	69,000
	10,424,688	4,975,156

The amount due to the holding company was payments made on behalf of the company. The amount is unsecured, interest free and payable on demand.

Amount due to related companies are unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2009 RMB	2008 RMB
Renminbi	111,796	115,296
United States Dollar	10,312,892	4,859,860
	10,424,688	4,975,156

9. SHARE CAPITAL

	2009 USD	2008 USD
Registered capital and paid-in capital:		
Balance at end of year	140,000	140,000

The Company's paid-in capital is RMB1,125,552 (USD140,000) and is certified by an independent Certified Public Accountants. The report is dated as 9 June 2006.

10. REVENUE

	2009 RMB	2008 RMB
Revenue:		
Contract Revenue	4,290,074	890,119

11. OPERATING LOSS

	2009 RMB	2008 RMB
Loss from operations is after charging		
Depreciation and amortization	57,987	-
Director's remuneration	-	-
Rental of premises & equipment	833,068	677,971
Staff cost	3,590,379	596,671
Travelling expenses	484,829	418,506

Director's remuneration

There is no director remuneration offer to the directors during the financial year.



NOTES TO FINANCIAL STATEMENTS (CONTD...)

12. FINANCE (EXPENSES)/INCOME

	2009 RMB	2008 RMB
Interest income	906	1,436
Loss on unrealised foreign exchange	(1,696,000)	-

13. TAXATION

A reconciliation between the tax expense of accounting profit multiplied by the applicable tax rate as per China tax requirement for the year ended March 31, 2009 was as follows:

	2009 RMB	2008 RMB
Loss before taxation	(4,548,119)	(2,214,796)
Add non deductible as per China tax regulation	-	-
Expenses paid by Geometric India	365,706	-
Unrealised foreign exchange loss	1,696,000	-
Employees benefit not utilised	46,296	-
Entertainment expenses	1,930	-
Taxable income	(2,438,187)	(2,214,796)
Less: Utilised tax losses bought forward	(4,471,187)	(2,256,391)
Tax losses carried forward	(6,909,374)	(4,471,187)
Tax rate @ 25%	25%	25%
Tax for the financial year	-	-

The tax losses carried forward for financial years 2009 have yet to confirm by China tax authorities.

Deferred tax asset in respect of the above item relates to tax losses incurred. The amount has not been recognized in the financial statements, as the amount is immaterial.

Pursuant to the New Income Tax Law of the PRC effective from 2008 concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws, foreign investment enterprises are subject to the statutory income tax rate of 25% unless the enterprises are located in specially designated regions or cities in which more favourable tax rates will apply. Accordingly,

the company is subject to the income tax rate of 25% for the year ending March 31, 2009.

14. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2009 RMB	2008 RMB
Related party transaction:	876,390	-

Director's remuneration

There is no director remuneration offer to the directors during the financial year.

15. OPERATING LEASE COMMITMENT

Rental expenses for offices and equipment for the Company were RMB 833,068 (2008: RMB 677,971). The leases have varying terms, escalation clauses and renewal rights. Future minimum rental under non-cancellable leases contracted for at balance sheet date but not recognised as liabilities are as follow as at March 31,:

	2009 RMB	2008 RMB
Payable with 1 year	662,712	993,972
Payable with 2-5 years		662,712

16. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

The company is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

NOTES TO FINANCIAL STATEMENTS (CONTD...)

Credit Risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are banks with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognised in the income statement. There is no significant concentration of credit risk, as the exposure is spread over a large number of counterparties and customers unless otherwise disclosed in the notes to the financial statements. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

The average credit period generally granted to trade receivable customers is about 30 days. But some customers take a longer period to settle the amounts. The table below illustrates the ageing analysis:

	2009 RMB	2008 RMB
Trade receivables:		
Less than 90 days	367,953	22,906
Over 90 days	1,344,117	763,494
Total	1,712,070	786,400

Foreign Currency Risk

Analysis of amounts denominated in non-functional currencies:

Financial assets:	Trade and other Receivables RMB	Cash and cash equivalents RMB
<u>At March 31, 2009:</u>		
United States Dollar	1,344,166	29,275
<u>At March 31, 2008:</u>		
United States Dollar	763,493	102

Financial liabilities:

Trade
and other
Payables
RMB

At March 31, 2009:

United States Dollar 10,312,893

At March 31, 2008:

United States Dollar 4,859,860

Sensitivity analysis

A 5% strengthening of RMB against the US dollar would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

The interest rate risk exposure is mainly from changes in interest rates. The interest rate risk on financial assets is not significant.

Liquidity Risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities.

The following table analyses financial liabilities by remaining contractual maturity:

	2009 RMB	2008 RMB
<u>Trade payables:</u>		
Within 1 year	10,424,688	4,975,156

Fair Value of Financial Instruments

There are no other differences between the book value and the fair value of the company's financial assets and liabilities. The company does not engage in transactions involving financial derivatives.

17. Comparative figures

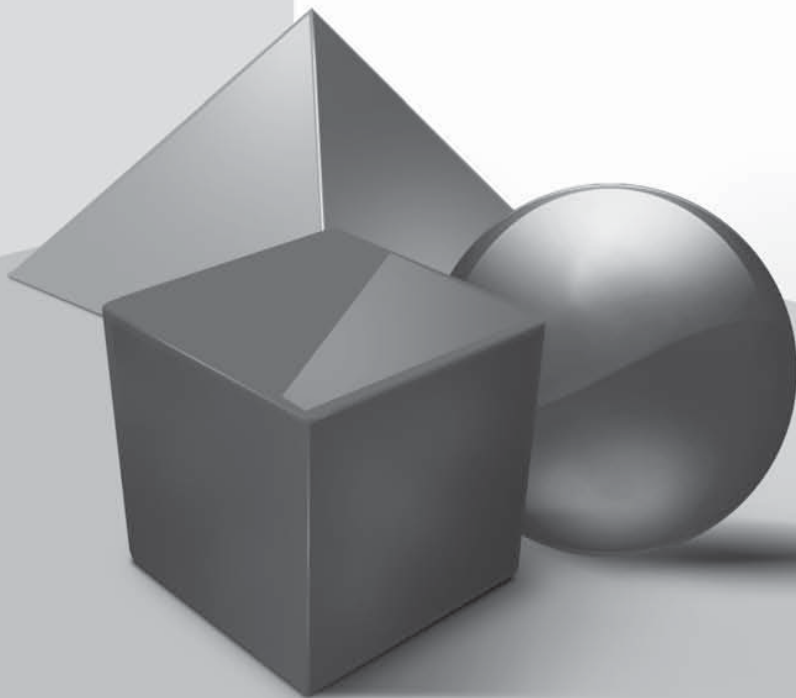
Certain comparative figures have been reclassified so as to conform to the current financial year presentation.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Company on August 25, 2009.

Geometric Limited

Consolidated Financial Statements
for the year ended March 31, 2009



Regd. Office:
Plant 6, Pirojshanagar, Vikhroli (W)
Mumbai 400 079, India

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GEOMETRIC LIMITED AND ITS SUBSIDIARIES

*THE BOARD OF DIRECTORS
GEOMETRIC LIMITED*

1. We have audited the attached consolidated balance sheet of Geometric Limited (the Company) and its subsidiaries (collectively referred to as the "Geometric Group") as at March 31, 2009, 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 the 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 Asia Pacific Pte. Ltd. and its subsidiary, 3D PLM Software Solutions Limited and Geometric Technologies, Inc., and its subsidiary, the subsidiaries included in the consolidated financial results whose financial statements reflect total assets of Rs. 2,109,434,264 as at March 31, 2009, total revenue of Rs. 4,548,601,529 and net cash flows amounting to Rs. 64,196,558 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar 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 Investments in Subsidiaries in Separate Financial Statements, issued by the Institute of Chartered Accountants of India.
5. Without qualifying our report, attention is drawn to Note 2, Schedule 14: Notes to Accounts. The Hon. High Court of Judicature at Mumbai has approved a Scheme of Arrangement whereby an Investment Reorganisation Reserve has been created by appropriating Rs. 641,148,118 from the Securities Premium Account, Rs. 120,339,513 from General Reserve and Rs. 538,512,369 from the Profit and Loss Account. In accordance with the Scheme of Arrangement the Investment Reorganisation Reserve has been utilized to the extent of Rs. 1,237,070,928 for writing off goodwill and impairment of investments and software instead of charging the same to the Profit and Loss Account. Had this amount been charged to the Profit and Loss Account, the net profit after tax for the year would have been converted in to a loss of Rs. 1,168,236,776.
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 Limited and its aforesaid subsidiaries, 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 Limited and its subsidiaries as at March 31, 2009;
 - (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: August 25, 2009.



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	SCHEDULE	Rupees	Current Year Rupees	Previous Year Rupees
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	124,228,700		124,207,120
b) Share Application Money		-		446,466
c) Reserves And Surplus	2	914,024,386		2,320,545,051
			1,038,253,086	2,445,198,637
2. LOAN FUNDS				
a) Secured Loans	3		1,168,790,048	794,332,145
3. DEFERRED TAX LIABILITY (NET)	4		54,077,362	40,574,530
4. MINORITY INTEREST			157,043,592	88,831,011
TOTAL			2,418,164,088	3,368,936,323
APPLICATION OF FUNDS:				
5. FIXED ASSETS	5			
a) Gross Block		1,771,427,730		3,047,525,825
b) Less: Depreciation		939,623,554		852,931,692
c) Net Block		831,804,176		2,194,594,133
d) Capital Work-in-Progress		60,838,931		1,055,593
			892,643,107	2,195,649,726
6. INVESTMENTS	6		200,006,768	178,995,451
7. CURRENT ASSETS, LOANS AND ADVANCES	7			
a) Sundry Debtors		1,079,339,078		787,358,372
b) Cash and Bank Balances		586,919,941		234,412,947
c) Other Current Assets		1,285,932		9,977,923
d) Loans and Advances		687,551,192		602,981,728
		2,355,096,143		1,634,730,970
8. Less: CURRENT LIABILITIES AND PROVISIONS	8			
a) Current Liabilities		910,702,254		554,333,708
b) Provisions		118,879,676		86,106,116
		1,029,581,930		640,439,824
9. NET CURRENT ASSETS			1,325,514,213	994,291,146
TOTAL			2,418,164,088	3,368,936,323
NOTES TO ACCOUNTS	14			

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

Signatures to the Balance Sheet and Schedules 1 to 8 and 14.

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

M. Sarwate
DIRECTOR

Darius Z. Fraser
PARTNER

Priya Jadhav
VICE PRESIDENT - FINANCE

Vijay Gangrade
COMPANY SECRETARY & COMPLIANCE OFFICER

Mumbai : August 25, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	SCHEDULE	Current Year Rupees	Previous Year Rupees
INCOME:			
1. Sales - Software Packages and Services		5,980,670,855	4,858,337,210
2. Service Income		121,784	-
3. Other Income	9	29,222,668	45,193,874
		6,010,015,307	4,903,531,084
EXPENDITURE:			
4. Operating and Other Expenses	10	5,198,931,857	4,364,757,103
5. Loss/(Gain) on Exchange Difference (Net)		483,582,722	(158,212,310)
6. Interest and Finance Charges	11	48,186,157	56,916,818
7. Depreciation		209,620,463	197,621,067
		5,940,321,199	4,461,082,678
PROFIT BEFORE TAX:			
8. Provision for Taxes		69,694,108	442,448,406
(a) Current Taxes			
- Indian Income Tax		67,128,510	69,434,812
- Foreign Taxes		12,164,278	8,239,407
(b) MAT Credit Eligible for Set-off		(50,180,795)	(26,784,488)
(c) Deferred Taxes		579,741	(3,550,807)
(d) Fringe Benefit Tax		11,110,678	9,475,569
		40,802,412	56,814,493
PROFIT AFTER TAX:			
9. Tax Adjustments in respect of earlier years		28,891,696	385,633,913
PROFIT AFTER TAXES AND BEFORE EXTRAORDINARY AND PRIOR			
		28,891,696	376,274,999
PERIOD ITEMS:			
10. Extraordinary Items (Net Of Tax)	12	147,288,269	-
11. Prior Period Adjustments	13	(12,989,474)	-
NET PROFIT AFTER TAXES BEFORE MINORITY INTEREST:			
12. Less: Minority Interest in Net Profit of Subsidiaries		163,190,491	376,274,999
		(94,356,339)	(54,976,265)
NET PROFIT AFTER TAXES AFTER MINORITY INTEREST:			
13. Surplus Brought Forward		68,834,152	321,298,734
14. Residual Dividend for Fiscal 2008		1,503,432,715	1,307,375,640
15. Dividend Tax Thereon		(8,189)	(10,216)
		(1,392)	(1,736)
PROFIT AVAILABLE FOR APPROPRIATION:			
		1,572,257,286	1,628,662,422
APPROPRIATIONS:			
1. Proposed Dividend		49,691,480	49,682,848
2. Interim Dividend		28,935,000	-
3. Dividend Tax		3,858,182	9,493,941
4. Transfer To General Reserve		73,025,000	46,844,949
5. Corporate Dividend Tax paid by Subsidiary		16,391,678	19,207,969
6. Utilised For Creation Of Investment Reorganisation Reserve		538,512,369	-
7. Surplus Carried Forward		861,843,577	1,503,432,715
TOTAL		1,572,257,286	1,628,662,422
EARNINGS PER EQUITY SHARE			
(Face value Rs. 2 each)	14 - (12)		
Before Extraordinary Items:			
Basic		(1.40)	5.18
Diluted		(1.40)	5.14
Including Extraordinary Items:			
Basic		(18.81)	5.18
Diluted		(18.81)	5.14
NOTES TO ACCOUNTS			
	14		

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

As per our Report attached

Signatures to the Profit and Loss Account and Schedules 9 to 14.

For and on behalf of

For and on behalf of the Board

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

J. N. Godrej
CHAIRMAN

Manu Parpia
FOUNDER & VICE CHAIRMAN

M. Sarwate
DIRECTOR

Daraius Z. Fraser
PARTNER

Priya Jadhav
VICE PRESIDENT - FINANCE

Vijay Gangrade
COMPANY SECRETARY & COMPLIANCE OFFICER

Mumbai: August 25, 2009



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Rupees	Current Year Rupees	Previous Year Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Tax, Extraordinary And Prior Period Items:		69,694,108	442,448,406
Adjustment for:			
Depreciation	209,620,463		197,621,067
Loss/(Profit) on Sale of Fixed Assets	634,170		849,240
(Profit)/Loss on Sale of Investments	(10,766,750)		(137,392)
Interest Expense	48,186,157		56,916,818
Interest Income	(2,120,961)		(2,397,591)
Dividend Income	(9,408,351)		(2,575,855)
(Including Rs. 8,203,866 Dividend Reinvested; - previous year Rs. 2,560,899)			
Others	-		342,017
		236,144,728	250,618,304
Operating Cash Flows Before Working Capital Changes		305,838,836	693,066,710
Working Capital Changes:			
Sundry Debtors	(291,980,706)		(40,335,699)
Loans and Advances	(24,866,376)		39,550,456
Other Current Assets	15,525,538		51,913,101
Adjustment for Revaluation of Cash Flow Hedges	(170,153,515)		(20,953,292)
Current Liabilities and Provisions	389,177,864		5,617,971
		(82,297,195)	35,792,537
Cash Generated from Operations		223,541,641	728,859,247
Income Taxes Paid		(87,002,645)	(83,871,329)
Net Cash Flow from Operating Activities before Prior Period Items		136,538,996	644,987,918
Prior Period Adjustments		(12,989,474)	-
Net Cash Flow from Operating Activities		123,549,522	644,987,918
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	(807,012,830)		(192,886,759)
Sale of Fixed Assets	595,439,863		67,660,532
Acquisition of Goodwill on Consolidation (net of non-cash consideration)	-		(76,459,681)
Purchase/Reinvestment of Investments (Including Rs. 8,203,866 Dividend Reinvested; - previous year Rs. 2,560,899)	(3,879,470,718)		(2,027,760,899)
Sale of Investments	3,838,267,000		1,969,308,168
Dividend Received (Including Rs. 8,203,866 Dividend Reinvested; - previous year Rs. 2,560,899)	9,408,351		2,575,855
Interest Received	1,568,415		1,957,302
Extra-ordinary Item (sale of building and other assets, net of taxes)	239,220,444		-
Net Cash Flow From Investing Activities		(2,579,475)	(255,605,482)
<i>Balance Carried forward</i>		120,970,047	389,382,436

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	Rupees	Current Year Rupees	Previous Year Rupees
<i>Balance brought forward</i>		120,970,047	389,382,436
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital/ESOPs	4,186,880		9,129,763
Borrowings from Bank	609,693,605		437,951,154
Repayment of Bank Borrowings	(235,235,702)		(562,617,290)
Interest Paid	(48,186,157)		(56,916,818)
Dividend Paid	(78,673,286)		(94,538,148)
Dividend Tax Paid	(20,248,393)		(35,152,102)
Net Cash Flows from Financing Activities		231,536,947	(302,143,441)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		352,506,994	87,238,995
CASH AND CASH EQUIVALENTS			
AS AT THE BEGINNING OF THE YEAR		234,412,947	147,173,952
AS AT THE END OF THE YEAR			
Cash and Bank Balances		605,787,824	213,611,749
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		(18,867,883)	20,801,198
		586,919,941	234,412,947
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		352,506,994	87,238,995

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

M. Sarwate
DIRECTOR

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PARTNER

Priya Jadhav
VICE PRESIDENT - FINANCE

Vijay Gangrade
COMPANY SECRETARY & COMPLIANCE OFFICER

Mumbai : August 25, 2009


SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	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:			
62,114,350 Equity shares of Rs. 2/- each (previous year 62,103,560 equity shares of Rs. 2/- each) fully paid up.		124,228,700	124,207,120
TOTAL		124,228,700	124,207,120

Note:

Of the above equity shares:

- a) 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.
- b) During the year, 10,790 (previous year 167,065) equity shares of Rs. 2 each have been issued under the Employee Stock Option Plans and Nil (previous year 8,500) equity shares of Rs. 2 each have been issued under the Directors' Stock Option Scheme of the Company.

SCHEDULE 2: RESERVES AND SURPLUS

1. SECURITIES PREMIUM ACCOUNT			
As per Last Balance Sheet	641,148,118		632,735,768
Add: Received During The Year	4,611,766		8,412,350
Less: Utilised for creation of Investment Reorganisation Reserve	(641,148,118)		-
		4,611,766	641,148,118
2. CASH FLOW HEDGING RESERVE			
As per last Balance Sheet	(20,953,292)		(20,953,292)
Add: Amount recognised during the year to date	(145,339,871)		-
		(166,293,163)	(20,953,292)
3. FOREIGN CURRENCY TRANSLATION RESERVE			
As per last Balance Sheet	347,997		-
Add: Amount recognised during the year to date	1,330,137		347,997
		1,678,134	347,997

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 2: RESERVES AND SURPLUS (Contd.)			
4. GENERAL RESERVE			
As per last Balance Sheet	196,569,513		149,724,564
Add: Transfer from Profit and Loss Account	73,025,000		46,844,949
Less: Utilised for creation of Investment Reorganisation Reserve	(120,339,513)		-
		149,255,000	196,569,513
5. INVESTMENT REORGANISATION RESERVE			
Transfer from Securities Premium Account	641,148,118		-
Transfer from General Reserve	120,339,513		-
Transfer from Profit and Loss Account	538,512,369		-
Less: Utilisation during the year	(1,237,070,928)		-
		62,929,072	-
6. PROFIT AND LOSS ACCOUNT - SURPLUS		861,843,577	1,503,432,715
TOTAL		914,024,386	2,320,545,051
SCHEDULE 3: SECURED LOANS			
1. BORROWINGS FROM BANKS			
a) Term Loans		1,168,790,048	794,332,145
TOTAL		1,168,790,048	794,332,145
SCHEDULE 4: DEFERRED TAX LIABILITY (NET)			
1. Deferred Tax Liability			
a) Depreciation on Fixed Assets		65,471,362	70,079,164
2. Deferred Tax Asset			
a) Provision for Bonus	(3,912,000)		(1,084,092)
b) Provision for Employee Benefits	(1,711,000)		-
c) Provision for Bad and Doubtful Debts	(3,604,000)		-
d) Others	(2,167,000)		(28,420,542)
		(11,394,000)	(29,504,634)
TOTAL		54,077,362	40,574,530



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 5: FIXED ASSETS

ASSET	GROSS BLOCK			DEPRECIATION				NET BLOCK		Rupee	
	As on 1-Apr-08	Additions	Deductions	As on 31-Mar-09	Upto 31-Mar-08	Impairment	For the Year	On Deductions	Upto 31-Mar-09		As on 31-Mar-09
Leasehold Land	50,367,395	257,317,200	264,569,072	43,115,523	3,066,227	-	665,255	2,010,896	1,720,586	41,394,937	47,301,168
Buildings	335,318,475	158,221,566	264,868,019	228,672,022	51,261,458	-	8,816,171	26,676,409	33,401,220	195,270,802	284,057,017
Leasehold Improvement	4,927,768	-	243,905	4,683,863	4,693,027	-	11,214	51,168	4,653,073	30,790	234,741
Computers	546,015,777	124,246,906	13,137,016	657,125,667	408,468,919	-	97,117,061	11,585,836	494,000,144	163,125,523	137,546,858
Electrical Installations	214,988,175	53,799,527	116,445,607	152,342,095	107,012,739	-	18,293,233	48,840,966	76,465,006	75,877,089	107,975,436
Office Equipment and EPABX System	70,875,617	13,520,467	9,431,084	74,965,000	38,176,150	-	5,409,072	2,309,273	41,275,949	33,689,051	32,699,467
Furniture and Fixtures	254,858,319	87,269,172	126,185,224	215,942,267	106,526,055	-	22,185,013	39,429,770	89,281,298	126,660,969	148,332,264
Vehicles	5,732,310	-	1,829,262	3,903,048	1,004,514	-	512,256	654,883	861,887	3,041,161	4,727,796
Intangible Assets:											
- Goodwill Arising on Consolidation	1,300,942,757	-	1,226,484,529	74,458,228	-	-	-	-	-	74,458,228	1,300,942,757
- Computer Software	263,499,232	52,854,654	133,869	316,220,017	132,722,603	8,630,600	56,611,188	-	197,964,391	118,255,626	130,776,629
TOTAL	3,047,525,825	747,229,492	2,023,327,587	1,771,427,730	852,931,692	8,630,600	209,620,463	131,559,201	939,623,554	831,804,176	-
Previous Year	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
Capital Work-in-Progress including Capital Advances										60,838,931	1,055,593
TOTAL										892,643,107	2,195,649,726

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 6: INVESTMENTS

	Previous Year Nos.	Current Year Nos.		Current Year Rupees	Previous Year Rupees
Long Term, Non Trade - At Cost					
1. IN UNITS OF MUTUAL FUNDS					
Current Investments (At lower of cost or market value)					
Quoted, Non Trade				200,006,768	148,036,300
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 BOOK VALUE OF INVESTMENTS				230,965,919	178,995,451
3. PROVISION FOR DEPLETION IN VALUE OF INVESTMENTS				30,959,151	-
TOTAL				200,006,768	178,995,451
Aggregate Book Value of Investments:					
Quoted				200,006,768	148,036,300
Unquoted				30,959,151	30,959,151
TOTAL				230,965,919	178,995,451
Repurchase Price of Units of Mutual Funds				203,527,968	150,708,379

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. 70,138,471; - previous year Rs. 17,531,669)			86,272,709		17,531,669
b) Other Debts			1,093,511,726		787,358,372
			1,179,784,435		804,890,041
c) Less: Provision for Doubtful Debts			100,445,357		17,531,669
				1,079,339,078	787,358,372
2. CASH AND BANK BALANCES					
a) Cash in Hand			48,539		59,110
b) Balances with Scheduled Banks					
- In Current Accounts			106,666,501		101,045,943
- In Cash Credit Accounts			250,000,000		-
- In Deposit Accounts			89,624,176		9,457,118
c) Balances with Non-Scheduled Banks			140,580,725		123,850,776
				586,919,941	234,412,947
3. OTHER CURRENT ASSETS					
a) Accrued Interest			1,285,932		733,386
b) Unrealised Forward Cover Gain (Net)			-		9,244,537
				1,285,932	9,977,923


SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 7: CURRENT ASSETS, LOANS AND ADVANCES (Contd.)			
4. LOANS AND ADVANCES (Unsecured – considered good, unless otherwise stated)			
a) Advances recoverable in cash or in kind or for value to be received	383,885,764		417,482,851
b) Sundry Deposits	225,481,172		167,017,709
c) Advance Payment of Taxes (Net of Provision for Taxes)	78,184,233		18,481,168
		687,551,192	602,981,728
TOTAL		2,355,096,143	1,634,730,970
SCHEDULE 8: CURRENT LIABILITIES AND PROVISIONS			
1. CURRENT LIABILITIES			
a) Sundry Creditors			
- Micro, Small and Medium Enterprises	-		-
- Others	52,241,358		13,106,350
b) Advances and Deposits	3,502,753		58,131,004
c) Unclaimed Dividends	1,920,643		1,967,892
d) Loss on Cash Flow Hedges	273,853,637		20,953,292
e) Other Liabilities	579,183,863		460,175,170
		910,702,254	554,333,708
2. PROVISIONS			
a) For Proposed Dividend	49,691,480		49,682,848
b) For Tax on Dividend	8,446,459		8,443,600
c) For Leave Encashment	60,741,737		27,979,668
		118,879,676	86,106,116
TOTAL		1,029,581,930	640,439,824
SCHEDULE 9: OTHER INCOME			
1. Dividend from Mutual Funds		9,408,351	2,575,855
2. Interest on Advances and Deposits (Gross)		2,120,961	2,397,591
(Tax Deducted at Source Rs. 77,966; previous year Rs. 36,502)			
3. Rent Received		2,278,034	29,104,372
4. Profit on Sale of Investments (Net)		10,766,750	137,392
5. Miscellaneous Income		4,648,572	10,978,664
TOTAL		29,222,668	45,193,874

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Rupees	Current Year Rupees	Previous Year Rupees
SCHEDULE 10: OPERATING AND OTHER EXPENSES			
1. Personnel Expenses			
Salaries, Bonus and Allowances		3,546,381,046	3,145,379,298
Contribution to Provident and Other Funds		96,355,795	69,629,737
Staff Welfare Expenses		191,798,310	159,875,069
2. Software Tools and Packages		63,550,848	61,917,922
3. Electricity Expenses		80,392,786	53,217,036
4. Rates and Taxes		8,834,017	2,898,689
5. Rent and Service Charges		297,335,245	191,178,470
6. Repairs and Maintenance			
a) Computers	18,554,392		49,703,253
b) Buildings	4,744,789		5,620,154
c) Others	27,356,891		22,928,181
		50,656,072	78,251,588
7. Insurance		16,074,078	13,717,456
8. Travelling and Conveyance		229,458,019	213,342,080
9. Communication Expenses		76,488,571	46,207,714
10. Legal and Professional Charges		115,105,544	90,438,758
11. Advertising and Publicity		26,813,436	16,577,662
12. Staff Recruitment Expenses		16,393,740	15,322,896
13. Royalty		90,514,561	66,603,330
14. Miscellaneous Expenses		193,693,047	132,455,060
15. Sales and Marketing Expenses		4,190,625	-
16. Commission to Non Executive Directors		929,000	2,212,242
17. Loss on Sale of Assets (Net)		634,170	849,240
18. Bad Debts Written Off		10,419,259	1,472,273
19. Provision for Doubtful Debts and Advances		82,913,688	3,210,583
20. Impairment of Software		8,630,600	-
21. Transfer from Investment Reorganisation Reserve		(8,630,600)	-
TOTAL		5,198,931,857	4,364,757,103
SCHEDULE 11: INTEREST AND FINANCE CHARGES			
1. Interest on Bank Loans		38,346,985	53,160,591
2. Bank Charges		9,839,172	3,756,227
TOTAL		48,186,157	56,916,818
SCHEDULE 12: EXTRAORDINARY ITEMS (NET OF TAX)			
1. Profit on Sale of Land and Buildings		159,048,269	-
2. Provision For Diminution in Value of Investments		(30,959,151)	-
3. Transfer from Investment Reorganisation Reserve		30,959,151	-
4. Provision for Income-tax on Extraordinary Items		(11,760,000)	-
TOTAL		147,288,269	-



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year Rupees	Previous Year Rupees
SCHEDULE 13: PRIOR PERIOD ADJUSTMENTS		
1. Tax Adjustments in Respect of Prior Years	(18,069,865)	-
2. Excess Depreciation of Earlier Years Written Back	4,273,928	-
3. Bad Debts Written back	806,463	-
TOTAL	(12,989,474)	-

SCHEDULE 14: 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.

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.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

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 or 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 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.

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.



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd..)

j) **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.

k) **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.

l) **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

m) **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.

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 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:**

(a) **Defined Contribution Plans:**

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged as an

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd..)

expense in the Profit and Loss Account as they fall due.

(b) Defined Benefit Plans:

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 of service 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.

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.

2. SCHEME OF ARRANGEMENT:

- a) The Board of Directors of the Company have approved a Scheme of Arrangement between the Company and its members to undertake a financial reorganisation in accordance with section 391 to 393 read with Section 78 and Section 100 to 103 of the Companies Act, 1956. The Scheme of Arrangement has been approved by the Hon. High Court of Judicature at Bombay on August 12, 2009 and a certified copy of the Order has been filed with the Registrar of Companies at Mumbai on August 24, 2009.
- b) The salient features of the Scheme of Arrangement are as follows:
 - i) The Company has created an Investment Reorganisation Reserve by appropriating Rs. 641,148,118 from the Security Premium Account, Rs. 120,339,513 from General Reserve and Rs. 538,512,369 from the Profit and Loss Account on and from the Appointed Date of February 6, 2009.
 - ii) The Investment Reorganisation Reserve would be utilized to the extent considered necessary by the Board of Directors of the Company from time to time, for providing for diminution in the value of investments, impairment in the value of goodwill and offsetting realisation of loss on sale of investments, if any.
 - iii) Any reversal of any such provisioning at anytime later would be adjusted to the same Investment Reorganisation Reserve



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd..)

- iv) During the year the Investment Reorganisation Reserve has been utilized as follows:

	Rupees
Reserve Created During the Year	1,300,000,000
Utilized During the Year:	
Goodwill Written off	(1,197,481,177)
Impairment of Investment	(30,959,151)
Impairment of Software	(8,630,600)
Balance as on March 31, 2009	62,929,072

3. PRINCIPLES OF CONSOLIDATION

- The consolidated financial statements relate to Geometric Limited and its subsidiaries. The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard AS-21 Consolidated Financial Statements and Accounting for Investments in Subsidiaries in Separate Financial Statements. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as of the Company i.e. up to March 31, 2009. Accordingly, the consolidated financial statements include the results of the subsidiaries for the year ended March 31, 2009 and their assets and liabilities as on the Balance Sheet date.
- In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.
- The subsidiary companies considered in the consolidated financial statements are:

Name	Country of Incorporation	Proportion of Ownership Interest
Geometric Asia Pacific Pte. Ltd., Singapore and its subsidiary, Geometric China Inc.	Singapore	100%
3D PLM Software Solutions Ltd.	India	70%
Geometric Technologies Inc. and its subsidiary Geometric Americas Inc. along with its subsidiaries.	USA	100%

4. 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. 405,760,000 (*USD 8,000,000*) (*previous year Rs. 318,720,000 (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. As at March 31, 2009, Rs. 284,032,000 (*USD 5,600,000*) (*previous year Rs. 318,720,000 (USD 8,000,000)*) has been drawn under the credit agreement.
- Corporate guarantee in respect of a revolving credit of Rs. 507,200,000 (*USD 10,000,000*) (*previous year Rs. 398,400,000 (USD 10,000,000)*) availed by its subsidiary. As at March 31, 2009, Rs. 412,716,299 (*USD 8,137,151*) (*previous year 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.
- Corporate Guarantee of Rs. 200,000,000 (*previous year Rs. Nil*) in respect of Term Loan availed by 3D PLM Software Solutions Limited, a joint venture by Geometric Limited and Dassault Systèmes, secured by mortgage of immovable properties of 3D PLM Software Solutions Limited, at Pune in favour of Citibank, N.A. or its agents or trustees. As at March 31, 2009, Rs. 200,000,000 (*previous year Rs. Nil*) has been drawn.

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd..)

- e) Corporate Guarantee of Rs. 200,000,000 (*previous year Rs. Nil*) in respect of Working Capital Facility availed by 3D PLM Software Solutions Limited, a joint venture by Geometric Limited and Dassault Systems, secured by book debts of 3D PLM Software Solutions Limited, in favour of Citibank, N.A. or its agents or trustees. As at March 31, 2009, Rs. 152,160,000 (*USD 3,000,000*) (*previous year Rs. Nil (USD Nil)*) has been drawn.
- f) As at March 31, 2009, guarantees given by 3D PLM Software Solutions Ltd., a subsidiary, amounted to RS 4,965,000 (*previous year Rs. Nil*)
- g) Claims against the Company not acknowledged as debt:
 - i) Rs. 44,011,098 (*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.
 - ii) Rs. 172,818 (*previous year Rs. 172,818*) in respect of disputed demand of excise duty against which the Company has preferred an appeal.
 - iii) Rs. 2,292,825 (*previous year Rs. 165,966*) in respect of a sales tax assessment of a previous year against which the Company has applied for cancellation.
 - iv) There exists a potential liability to the extent of Rs. 17,752,000 (*USD 350,000*) (*previous year Rs. Nil (USD Nil)*) towards State Unemployment Commission for under payment of previous year's taxes by Geometric Americas, Inc., a wholly owned subsidiary.
 - v) Suit filed against the Company in India Claiming damages for alleged breach of a non-recruitment provision in an agreement. The case has already been dismissed by a Court of Law in Virginia, USA.

5. 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. 63,524,898 (*previous year Rs. 8,193,102*)

b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) Rs. 3,612,455 (*previous year Rs. 6,528,651*)

6. SECURED LOANS

Working capital facilities are secured by a pari-passu charge on book debts of the Company, both present and future.

7. FOREIGN EXCHANGE HEDGING

- a) The Company has 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.
- b) The Company uses forward exchange contracts to hedge its foreign exchange exposure. As at March 31, 2009, the Company had 127 outstanding forward exchange contracts to sell foreign currency aggregating to US Dollars 54,200,000 at an average rate of Rs. 46.41 per US Dollar. The Company does not use any foreign currency options.

8. ACCOUNTING FOR LEASES

a) Operating Lease:

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 lease payable as per the rentals stated in



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd..)

the lease agreement are given in accordance with the Accounting Standard (AS-19) Leases issued by the Institute of Chartered Accountants of India.

(Amounts in Rupees)

Particulars	Current Year	Previous Year
1. Lease Rentals paid during the year	386,999,414	276,467,222
2. Future Lease Obligations		
– Due within one year	290,841,287	203,365,584
– Due between one year and five years	506,905,464	341,467,059
– Due after five years	-	27,102,235

Sub-lease income: (Amounts in Rupees)

Particulars	Current Year	Previous Year
Received during the year	4,097,796	9,281,645
Future receivables	19,650,099	20,462,037

b) Finance Lease:

Subsidiary of the Company have acquired furniture, software & equipments under capital leases. In some cases the liability for minimum lease payment is secured by the hypothecation of the furniture, software & equipments acquired under the leases.

The following is the summary of assets held under capital lease as at March 31, 2009:

Particulars	Current Year	Previous Year
Cost	13,275,402	10,799,913
Less: Accumulated Depreciation	8,371,995	6,039,763
Net carrying amount as at year end.	4,903,407	4,760,150

9. PROVISIONS

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-

a) Provision for Leave Encashment:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Carrying amount as at the beginning of the year	37,050,244	32,287,793
Additional provision made during the year	28,337,333	33,883,758
Amount paid/ utilized during the year	21,806,246	19,632,952
Unused amount reversed during the year	16,023,177	9,488,355
Carrying amount as at the end of the year	27,558,154	37,050,244

b) Provision for Variable Pay*:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Carrying amount as at the beginning of the year	28,902,774	29,467,681
Additional provision made during the year	156,249,282	96,747,081
Amount paid/ utilized during the year	108,151,361	94,703,693
Unused amount reversed during the year	23,000,000	2,608,295
Carrying amount as at the end of the year	54,000,695	28,902,774

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

10. 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 respect of two units of 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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS

11. EMPLOYEE STOCK OPTIONS

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

Particulars	Scheme III ESOP Directors 2000 Scheme	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 18, 2003 and June 29, 2004)	Extraordinary General Meeting (November 21, 2006)
2. Approved	300,000	2,750,000	1,850,000
3. The Pricing Formula	National Stock Exchange (NSE) market price.	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	260,000	@ 1,942,825	@ 340,000
5. Options Vested	260,000	1,895,920	34,000
6. Options Exercised	216,500	1,148,695	-
7. Options Forfeited / Surrendered	33,500	1,257,915 ^	1,532,500 ^
8. Options Unexercised	-	560,630	340,000
9. Options Lapsed	10,000	233,500	-
10. Total Number of Options in force	-	560,630	340,000
11. Variation in terms of ESOP	NA	NA	NA
12. Total number of shares arising as a result of exercise of options	216,500	1,148,695	-
13. Money realised by exercise of options (Rs. in Lakhs)	71.66	570.10	-

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

@ Net of forfeited /surrendered.

Notes:

- The number of options disclosed above have been adjusted for subdivision of the company's 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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

	Rupees	Current Year Rupees	Previous Year Rupees
12. EARNINGS PER SHARE			
a) Net (Loss) / Profit After Tax (Before Extraordinary Items)		(78,454,117)	321,298,734
Less: Software impairment charged to Investment Reorganisation Reserve		(8,630,600)	-
Net (Loss) / Profit After Tax (Before Extraordinary Items) For the purpose of EPS Calculation		(87,084,717)	321,298,734
Net Profit After Tax (Including Extraordinary Items)		68,834,152	321,298,734
Less: Software impairment charged to Investment Reorganisation Reserve		(8,630,600)	-
Less: Diminution in value of Investments charged to Investment Reorganisation Reserve		(30,959,151)	-
Less: Goodwill on Consolidation charged to Investment Reorganisation Reserve		(1,197,481,177)	-
Net (Loss) / Profit After Tax (After Extraordinary Items) For the purpose of EPS Calculation		(1,168,236,776)	321,298,734
b) Number of Equity Shares:			
As at the commencement of the year		62,103,560	61,927,995
Issued during the Year		10,790	175,565
As at the end of the Year		62,114,350	62,103,560
Weighted Average Number of Equity Shares during the Year			
Basic		62,113,513	62,015,774
Diluted		62,113,513	62,525,990
c) Earning per Equity Share of Rs. 2/- each.			
Before Extraordinary Items:			
Basic		(1.40)	5.18
Diluted		(1.40)	5.14
Including Extraordinary Items:			
Basic		(18.81)	5.18
Diluted		(18.81)	5.14

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

SCHEDULE 14: NOTES TO ACCOUNTS (Contd.)

	Current Year Rupees	Previous Year Rupees
13. 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	417,115,000	327,421,174
Projects	5,563,555,855	4,530,916,036
	5,980,670,855	4,858,337,210
Less: Inter Segment Revenue	-	-
Net Sale / Income from Operations	5,980,670,855	4,858,337,210
B. Segment Results		
Profit / Loss Before Tax and Interest From Each Segment		
Products	134,997,000	140,519,559
Projects	1,982,155,500	1,182,330,095
	2,117,152,500	1,322,849,654
Less : (i) Interest	48,186,157	56,918,411
(ii) Other Unallocable Expenditure net of unallocable income	1,999,272,235	823,482,837
Total Profit Before Tax	69,694,108	442,448,406
SECONDARY GEOGRAPHICAL SEGMENTS - REVENUE		
Region		
US	4,013,030,144	3,368,909,104
Europe	1,345,650,942	981,951,801
Asia Pacific	400,704,947	370,548,779
India	221,284,822	136,927,526
TOTAL	5,980,670,855	4,858,337,210

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 segments. The Company believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities.

14. GENERAL

Figures for the previous year have been regrouped / restated wherever necessary to conform to current year's presentation.



RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2009

	Current Year	Previous year*
Ratio - Growth compared to previous year		
Growth in Operating Revenue	23.10%	26.83%
Growth in Total Revenue	22.57%	25.60%
Growth in PBT	-84.25%	-12.64%
Growth in PAT	-78.58%	-14.18%
Ratio - Financial Performance		
Export Revenue/Total Revenue	95.83%	96.29%
Domestic(India) Revenue/ Total Revenue	3.68%	2.79%
Other Income/Total Revenue	0.49%	0.92%
Manpower Cost/Total Revenue	63.80%	68.83%
Other Operating Expenses/Total Revenue	30.75%	16.96%
Operating & Other Expenses/Total Revenue	94.55%	85.79%
Interest Costs/Total Revenue	0.80%	1.16%
Depreciation/Total Revenue	3.49%	4.03%
PBT/Total Revenue	1.16%	9.02%
PBT/Average Net Worth	6.61%	41.35%
ROCE(PBIT/Average Capital Employed)	4.36%	15.73%
Capital Output Ratio (Total Revenue/Average Capital Employed)	2.22	1.55
Payout Ratio (Dividend paid/PAT)	72.19%	15.46%
Ratio - Balance Sheet		
Debt/ Equity Ratio	1.13	0.32
Current Ratio	2.29	2.55
Cash & Bank Balances/ Total Assets	24.27%	6.96%
Cash & Bank Balances/ Total Revenue	9.77%	4.78%
Sundry Debtors/Total Revenue	17.96%	16.06%
Depreciation for the year/Average Gross Block of Assets	8.70%	6.56%
Per Share Data		
Earning per share (Basic) (Rs.)	-18.81	5.18
Cash Earnings per share(Basic) (Rs.)	-15.43	8.37
Dividend %	40%	40%
Dividend per share	0.80	0.80
Book Value per share	15.52	18.45

* Previous year figures reinstated wherever there have been classification changes, to make it comparable

[illegible]

Values

Unyielding Integrity

Unyielding integrity has been Geometric's core ideology since its inception in 1984, and has been at the heart of each of our business relationships with our customers and partners. It translates into a simple mandate to conduct all activities with honesty and transparency. Integrity is the fundamental value that we look for in every individual, because it cannot be derived from education, qualification, or culture.

Passion for Excellence

Passion for excellence is a force that has catapulted Geometric into an enviable league, with its own patented technologies and world class solutions. Devising innovative ways that make our solutions technologically more advanced, more effective and dependable for our customers is what this value is about. It comes from paying attention to every minute detail and a promise to excel in not just our work, but in everything we do.

Customer Focus

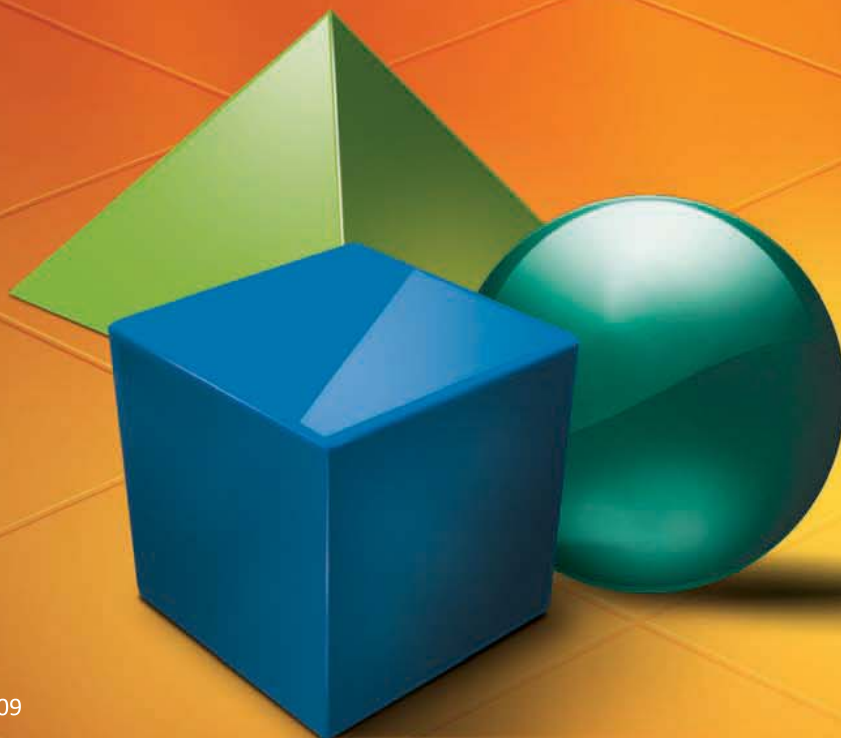
Customers are at the center of Geometric's organization model, emphasizing the value that each part of the organization derives from and delivers to our customers. Driven by our corporate philosophy 'People Building Partnerships', we have, over the years, successfully built enduring relationships, which have given direction to our competency growth and business models.

Global Mindset

Geometric has always operated in markets around the world, and our inorganic growth has introduced significant diversity in our workforce. Indeed, the fabric of our organization today is truly global, and this is a value we will increasingly emphasize, as we grow in the global markets. At Geometric, 'global' stands for the assimilation of differences to create 'one' organization, that understands the unique needs of users across the world and also positively leverages them to meet our global vision.

Valuing the Individual

Geometric fosters an environment of trust and transparency, where people can freely express themselves through their talent and ideas, thus ensuring a constant sense of self-actualization. With 'empowerment', a key ingredient that drives motivation; and 'mutual respect' that promotes learning and sharing, employees are able to create innovative solutions, which deliver on customer expectation, as well as drive the goals and aspirations of the organization and the individual.



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