Results for the quarter and year ended March 31, 2003

1. **From the MD's Desk**
2. **Analysis of the Results**
3. **Audited financial results**
4. **P&L Statement (MIS)**
5. **Growth in sales over the last year (MIS)**
6. **Product R&D Expenses**

From the MD's Desk

We have continued to grow in this quarter both in terms of revenue and in terms of profitability. While the revenue growth has been modest viz. 2% in Rupee terms and 4% in Dollar terms over the previous quarter, the Operating Profit has grown by 4% over the previous quarter.

Thus we ended the year with a revenue (excluding other income) of Rs. 841 million which is at the lower end of our revised guidance of Rs. 840 to 870 million. We were however able to sustain our Operating Profit Margin at 22.7% which is slightly higher than that of the previous quarter of 22.1%. Thus over the four quarters of the year, we have shown continuous improvements in the Operating Margins. Our Consolidated Operating Profit rose to Rs. 172.3 million and PBT rose to Rs. 208 million.

Other significant developments during the quarter include beginning of our relationship with HP Consulting, enhancing our engagement with IBM at Ford while continuing our relationship with Ford, consolidation of our relationships with Argographics in Japan, beginning a new relationship with Gold Partners of Dassault Systemes and SolidWorks and winning an important contract with MatrixOne.

The key issue is of course, what lies ahead. The global economic climate is not likely to improve in the next two quarters. Indeed our partners have cautioned us that revenues from product's sourced from us maybe affected during this period – albeit there is no change in their commitments on services. We have also commenced our activities in Engineering Services which we believe is an essential and important ingredient in "rounding out" our PLM offerings. This activity will take a few quarters to bear fruit and become self-sustaining. The next two quarters could be difficult but I am confident that our strategy is correct and therefore am optimistic about the future.

We have set ourselves a goal of becoming the Most Cost-Effective PLM Service Solution provider in the World i.e. continuing our razor sharp focus on the PLM space. The other vital leg of our approach is working with partners. Indeed we believe a combination of these two factors provides a compelling and unique value proposition. I will spend sometime in explaining our partnering approach.

In identifying a partner we consider the product profile they support viz. CATIA, Teamcenter, Windchill; the vertical they emphasize in viz. automotive, aerospace, electronic; finally the territory / geography they cover e.g. Japan, Europe, Scandinavia. This holistic approach helps us build a strong network with minimal overlap thus reducing the potential of conflict. We couple this with a commitment to avoid working directly with end users and a promise of transparency. In this manner partners perceive us as providers of valuable resources and technologies which in turn helps them provide their customers with cost-effective, high-quality solutions. We have pursued partnerships with specific goals in mind and not with an objective of building a "list of partners." Furthermore, while an engagement with a partner typically begins with a specific end user, once the experience is satisfactory, the relationship grows to cover other end users thus building a web of relationships which in turn will lead to a sustainable, scalable business.

I can truly say that in the last 90 days I have felt there has been an increase in acceptance of our approach. Indeed, while I am not at liberty to name the parties, we have concluded agreements with two partners with a commitment to serve two specific end users. The engagements are scheduled to commence in this coming quarter and there are more such opportunities under discussion. This gives me confidence that we will be able to conclude more agreements and commence work in the course of this financial year. On this basis I feel comfortable in providing the guidance for the year which sees a growth of over 20% in both consolidated revenues and PBT.

The Company has scheduled an **Analyst Meet on Thursday, 24th April from 4.30-6p.m.** at World Trade Center, Centrum Hall (1st Floor). Kindly contact Bindu on 5596 0970 / 0800 to ensure you are included in the arrangements.

Regards,

Manu Parpia
Managing Director

Qualitative Analysis of developments during the quarter ended March 31st 2003

3D PLM

During the quarter 3D PLM stabilised operations. 3D PLM ended the quarter with over 160 software developers. Details of the financial performance of 3D PLM for the year are enclosed in the mailer.

Business Partner Programme

During the quarter we made concrete progress in striking new business through partners. A summary follows:

- IBM: We have started business at Ford through IBM and are discussing a few other opportunities in USA.
- HP India Software Operations (ISO): We have signed agreement with ISO to provide PLM services to HP and its customers worldwide. We have already started an engagement in the US and are actively pursuing engagements in Asia Pacific.
- Technia: Technia is the largest MatrixOne Partner in Nordic countries. With Technia we are targeting large customers in the Nordic region for eMatrix and CATIA related services. We have started small engagements and hope to win large projects in the near future.
- Cenit: Cenit is one of the largest IBM business partners in Germany. We have started project engagements with Cenit and worked out a plan to jointly market to new accounts.
- Wipro: We are in the process of completing a major project for Boeing.
- We have entered into a partnership with a DS Gold Partner in Europe who is focused on the automotive space. They have selected us as their offshore services partner in the PLM space.

Partner/Customer Matrix: We have prepared Partner/Customer Matrix and are in active talks with the Partners to jointly address the market.

Geometry

The Geometry BU strengthened its CATIA practice and completed a wide variety of projects for OEMs and industrial clients. The BU has also started working with new partners (see above) in Europe to market CATIA CAA services.

The BU has taken active steps towards promoting new technologies for shape based Part Search and part thickness analysis developed over the last few quarters with the intent to turn the evaluation engagements into customer successes over the next few quarters. Analysts may recall that the BU had delivered a large software development project for the design and manufacture of orthodontic appliances; the client has confirmed that early results on appliances designed using this software, have passed clinical trials and has placed a repeat order.

In line with corporate plans, the BU is incubating Engineering Services as a new offering. We are participating in creating benchmarks and pilots and therefore anticipate launch of these services targeted at Auto and Aero majors. Marketing and an effective “go to market” strategy for the service has been evolved during the quarter.

IMBU

This quarter we saw a steady growth in the services business from EDS and MatrixOne. We also completed a PDM-CAD integration project for a new OEM based in Japan. Our partnerships opened new doors for us as we completed the pilot projects in North America, South America, Europe and Asia. We also made our first entry in the Indian market by engaging ourselves on a pilot project for 2 large Indian corporations. We expect some of these pilot projects will turn into large opportunities in the next 2 quarters. During the quarter we also made a much-awaited breakthrough in our ENOVIA™ business. We had a visit by 2 large industrial customers (through partners) and both have given a positive signal to start the relationship over next 2-4 months.

CEBU

During Q4, the Collaborative Engineering Business Unit (CEBU) witnessed an enhancement to its existing relationship with Powerway to a strategic level. We are now involved in integration activity at Powerway’s end-customer sites. Other projects include enhancements to existing products and internationalization.

With reference to CollabView™ (CV), the BU's Collaborative Visualization framework, we signed a contract with Web4, which has expanded the scope of CV to support even 2D formats which functionally will help us improve our penetration of the Visualization market. Continuing our partnership with CSD (A venture backed by the Taiwanese Government and SMEs in Taiwan) a pilot project is being run at one of their major customer sites with collaboration across China & Taiwan between the design and the manufacturing teams. On successful completion of this test phase, we expect to reach out to many more clients of CSD in China & Taiwan.

Q4 also saw the CEBU's entry into the Manufacturing Process Management (MPM) market. We launched the DELMIA™ services practice, offering expertise in the area of Manufacturing Process Simulation.

Financial Analysis for the Quarter ended 31st March, 2003 (Q4 FY03) (Consolidated):

(NB: The mailer has been prepared using the MIS sheets as the basis. The MIS sheets have been enclosed in the attachment for your perusal)

Comparison with Q4 of 2001-2002

Revenues

- **Operating Revenues improved by 30 % over Q4 of FY02.**
- Offshore and Product revenue improved 46 % and 9 % respectively, while onsite revenues declined 23 %. Onsite revenues declined as many projects closed out over the year and new projects initiation rate was slower than expected.
- Other Income declined by 24% as many mutual funds had declared extraordinary dividends in March 2002 as well as due to overall softening of interest rates.
- Geographical Mix of Revenues: the US share of revenues reduced from 86% to 71% while Europe improved from 10.4% to 24%.
- Geometry BU continues to be the largest entity and contributes 53% of the total revenues followed by Information Management BU at 36% and Collaborative Engineering 11% of the total revenues.

- The company derived over 15 % of consolidated revenues from Industrial Customers as compared to less than 10% during Q4 FY 02.

Expenses

- The fixed expenses have increased by 8 % over Q4 of FY02 due to increase in the foreign travel expenses for presales activity as well as addition to our infrastructure.
- Variable expenses were 54 % higher due to the following:
    - Increase in manpower base from 449 personnel as on 31st March 2002 to 571 personnel this year, an increase of 27%. This increase is reflected on manpower expenses as well as staff welfare expenses.
    - Software Tools and Packages expenses have increased due to royalty payments for use of software for projects as well as investments in efficiency improving tools.
    - Bad Debt provisioning for the quarter has increased mainly due to a conservative accounting policy being adopted during the year.
- Onsite gross margins were steady at 27%.
- SBU heads office expenses have declined by 64% mainly due to relocation of BU heads from USA to India.
- No significant changes in overhead expenses due to strict cost control measures.

The total expenses for the quarter have increased by 19% over the comparable quarter of the previous year.

Performance Parameters

- Debtors Days were steady at 57 days as against 55 days for the comparable quarter of previous year.
- Operating Profit (PBIT (after depreciation) but excluding other income) for the quarter increased by 84 % from Rs. 27.53 Mn to Rs 50.6 Mn. Operating Profit Margin also improved from 16% to 23%.
- The EBITDA margin (as a % of total revenue) has improved from 29 % to 33%.
- The PBT margin (as a % of total income) has improved from 22 % to 26%.
- Net Profit after Tax (after minority interest) increased by 28%.

Sequential Comparison with Q3 of FY03

Revenues

- **Operating Revenues for the quarter improved by 2 % in rupee terms and by 4% in dollar terms over Q3 of FY03.**
- Offshore revenue increased 3% while Onsite revenues increased 21%, as some new assignments were initiated during the quarter. However product revenues declined by about 15% over the previous quarter, since the product off take slowed down in line with overall slow down in the PLM software products market.
- Other Income improved by 16 % due to income from foreign exchange gains.
- Offshore revenues proportion has increased from 77 % to 78.5 %, onsite component has increased from 8.5 % to 10 % while product revenues declined from 14.5 % to 11.5 %.
- The company has added 15 new clients in the quarter (as against 12 in Q3), of which 5 were industrial customers.

Expenses

- Fixed Expenses decreased by 3% compared to Q3 of FY03 due to significant cost control measures adopted on controllable costs like local travel, communication costs and power and fuel.
- Variable Expenses have increased by 9% compared to Q3 due to the following:
  - Manpower expenses increased due to full impact of the manpower additions in the 2nd half of the year. During the quarter there was a net addition of 24 software developers.
  - Investments in software tools on account of royalty payments for software purchased for projects as well as in productivity enhancement tools.
  - Increase in bad debt provision.
- Sales Expenses have decreased by 33% as Q3 included the impact of one time recruitment expense.

Performance Parameters

- Manpower utilization for the quarter was 83 % including trainees.
- We had 571 software developers at the end of Q4, a net addition of 24 personnel over the previous quarter.

- Onsite margins declined to 26% from 28% in Q3, as many new assignments were initiated during the quarter resulting in higher travel and relocation expenses.
- Operating Profit (PBIT (after depreciation) but excluding other income) for the quarter is at Rs. 50.6 Mn, which is 4 % higher than that in preceding quarter. Operating Profit Margin increased to 22.7%.
- EBITDA margin (as a % of total income) has improved from 32% to 33%.
- Profit after Taxes (after minority adjustments) improved by 3%.

Comparison of FY 2002-03 performance with FY2001-02

Revenues

- **Operating Revenues for the year improved by 35 % in rupee terms and by 34% in dollar terms over FY02.**
- Offshore revenues increased by 47%, product revenues improved by 24%, however onsite revenues declined by 5% over FY02.
- Other Income decreased by 5%, since there was a large dividend payout by mutual funds during the previous year. Also there has been a decline in the interest rates over the year.
- As targeted we reduced our dependence on the US market during the year. USA constituted just over 70% of our revenues (86% in FY 02), Europe contributed 25% of revenues (10% in the previous year), while other regions constituted the balance 4%.
- The company derived around 15% of consolidated revenues from Industrial Customers as compared to less than 10% in FY02.
- Offshore revenues proportion has increased from 68% to 74%, onsite component has decreased from 17% to 12% and product revenues have remained steady at about 15%.
- The top 5 customers constituted 68% of our revenues, while the top 10 customers constitute 79% of our revenues.

Expenses

- Fixed Expenses increased by about 13% compared to FY02.

- Foreign travel expenses have increased due to increased visits for presales activity
- Power, fuel and electricity expenses have increased inline with increase in built up area deployed

✍ Variable Expenses have increased by 45% compared to FY02

- There has been an increase in manpower expenses and welfare expenses due to 27% increase in headcount over the year. This also includes the impact of salary increase given during the year.
- Expenses on software tools have increased due to payment of royalties/ purchase of software for development projects as well as investments in productivity enhancing tools

✍ Overhead Allocations have increased by 26% over FY02 mainly due to:

- Non Factory Corporate expenses increasing by 49% due to additions in the senior management team and increased foreign travel expenses
- Sales Expenses have increased by 23% due to the opening of new office in Singapore and increase in manpower and related expenses.

The total expenses of the company increased by 26% as compared to the FY02.

Performance Parameters

✍ Manpower utilization for the year was at over 80%

✍ We had 571 software developers at the end of FY03, a net addition of 122 personnel over the FY02

✍ Onsite margins are 27 % as compared to 36% in FY02. Over the year as assignments came to an end, new assignments were at lower rates and also necessitated a travel and relocation expenses.

✍ Operating Profit (PBIT (after depreciation) but excluding other income) for FY03 is at Rs. 172.3 Mn, which is 77 % higher than that in FY02. Operating Profit Margin improved from 15.6 % to 20.5 %

✍ EBITDA margin (as a % of total income) has improved from 27% to 31%

✍ Profit after Taxes (after minority adjustments) has improved by 33%

3D PLM Results for the financial year FY 03

Revenues

- **Total Revenues for the year were $ 4.05 million (Rs 196 million) while operating revenues were $ 3.92 million (Rs 189.8 million)**
- Other Income was at Rs 6.53 million on account of profits from foreign exchange cover
- The entire operating revenues were derived from offshore operations provided to Dassault Systemes group.

Expenses

- Fixed Expenses constituted 11% of operating revenues
  - Rent and Non PC depreciation constitutes a significant portion of fixed expenses
  - With the ramp up in operations over the last 12 months the fixed expenses as a % of operating revenue has declined from 13% in Q1 to under 10% in Q4
- Variable Expenses constituted 45% of operating revenues
  - Manpower expenses and staff welfare constitutes major portion of the variable expense
  - With enhanced recruitment and additions to head count over the last 12 months – the variable expense proportion marginally increased over the year
  - Over the year the 3D PLM has ramped up from 35 personnel to over 160 personnel at the end of the year
- Overhead Allocations have been steady over the year – at 12.3% of operating revenues.

Performance Parameters

- The ramp up has been as per the plans for the year and the primary customer has expressed satisfaction with the quality of the work and the ramp up schedule
- Operating Profit (PBIT (after depreciation) but excluding other income) for FY03 is at Rs. 59.4 Million, indicating an Operating Profit Margin of 31%. The OPM has improved over the 4 quarters as the company ramped up operations

- EBITDA margin (as a % of total income) has improved over the quarters and is at 38% for the year.

New Developments planned at Geometric during FY 03-04

- We will be investing in developing our Engineering Services practice. We have recruited a senior professional with over 2 decades of experience in this and related areas
- As FY 03-04 will be the first year of the Engineering Services practice we anticipate an adverse impact on our P&L in the first two or three quarters. We expect positive returns from this unit only from FY 05 onwards
- We will be partially commissioning the new building project during the year. We expect the phased commissioning to commence from 2nd half of the FY 03-04
- Continue emphasis on new business from Industrial Customers by working with partners.
- Grow IMBU and CEBU at a rate greater than the Company average.
- Continue the trend of reducing dependence on the North American market by increasing emphasis on Europe and the Far East including Japan.

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AUDITED FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2003 (UNCONSOLIDATED)

(Rs. in Million)

Sr. No.	Particulars	Nine months Ended 31-12-2002	**Quarter Ended 31-3-2003**	Quarter Ended 31-3-2002	**Year Ended 31-3-2003 (Audited)**	Year Ended 31-3-2002 (Audited)
1	Net Sales - Software and Services	438.72	**152.00**	156.40	**590.72**	572.17
2	Other Income	27.59	**20.09**	14.78	**47.68**	39.09
3	Total Income	466.31	**172.09**	171.18	**638.40**	611.26
4	Expenditure:					
	(a) Personnel Expenses	196.73	**67.70**	66.93	**264.43**	244.63
	(b) Travelling Expenses	15.50	**7.56**	4.64	**23.06**	21.54
	(c) Sales and Marketing Expenses	58.59	**12.51**	26.06	**71.10**	92.56
	(d) Other Expenses	64.58	**21.88**	20.69	**86.46**	77.72
	(e) Total Expenditure	335.40	**109.65**	118.32	**445.05**	436.45
5	Profit before Interest, Depreciation and Taxes	130.91	**62.44**	52.86	**193.35**	174.81
6	Interest	-	**-**	-	**-**	-
7	Depreciation	34.06	**11.16**	11.72	**45.22**	44.59
8	**Profit before Tax**	96.85	**51.28**	41.14	**148.13**	130.22
9	Extraordinary and Prior Period Items:					
	(a) Communication Expenses	1.13	**-**	-	**1.13**	-
	(b) Depreciation written back	-	**(2.78)**	-	**(2.78)**	-
	(c) Tax in respect of earlier years written off	-	**2.23**	1.32	**2.23**	1.12
10	Provision for Taxation:					
	(a) Current Taxes	7.67	**5.88**	1.68	**13.55**	3.09
	(b) Deferred Taxes	(0.12)	**0.49**	-	**0.37**	-
11	**Net Profit after Taxes**	**88.17**	**45.46**	**38.14**	**133.63**	**126.01**
12	Paid-up Equity Share Capital	53.06	**53.06**	52.55	**53.06**	52.55
13	Reserves (Excluding Revaluation Reserves)	670.02	**673.88**	577.93	**673.88**	577.93
14	Basic Earnings per Share (Rs.)	16.73	**8.61**	7.26	**25.31**	24.02
15	Diluted Earnings per Share (Rs.)	16.38	**8.46**	7.13	**24.87**	23.57
16	Aggregate of non-promoter shareholding:					
	- Number of shares	3,516,992	**3,542,033**	3,459,792	**3,542,033**	3,459,792
	- Percentage of Shareholding	66.29	**66.76**	65.83	**66.76**	65.83

AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31 ST MARCH, 2003 (CONSOLIDATED)

(Rs. in Million)

Sr. No.	Particulars	Nine months Ended 31-12-2002	**Quarter Ended 31-3-2003**	Quarter Ended 31-3-2002	**Year Ended 31-3-2003 (Audited)**	Year Ended 31-3-2002 (Audited)
1	Net Sales - Software and Services	617.53	**223.63**	172.62	**841.16**	624.86
2	Other Income	25.29	**10.69**	14.03	**35.98**	38.00
3	Total Income	642.82	**234.32**	186.65	**877.14**	662.86
4	Expenditure:					
	(a) Personnel Expenses	320.69	**113.26**	93.67	**433.95**	335.08
	(b) Travelling Expenses	23.69	**9.61**	6.37	**33.30**	29.36
	(c) Other Expenses	107.05	**33.74**	32.16	**140.79**	116.69
	(d) Total Expenditure	451.43	156.61	132.20	608.04	481.13
5	Profit before Interest, Depreciation and Taxes	191.39	77.71	54.45	269.10	181.73
6	Interest	-	**-**	-	**-**	-
7	Depreciation	44.38	**16.43**	12.89	**60.81**	46.20
8	**Profit before Tax**	147.01	61.28	41.56	208.29	135.53
9	Extraordinary and Prior Period Items:					
	(a) Communication Expenses	1.13	-	-	**1.13**	-
	(b) Depreciation written back	-	(2.78)	-	**(2.78)**	-
	(c) Tax in respect of earlier years written off	-	2.23	1.32	**2.23**	1.12
11	Provision for Taxation:					
	(a) Current Taxes	11.58	**5.26**	4.57	**16.84**	7.77
	(b) Deferred Taxes	0.30	**1.17**	(1.37)	**1.47**	(1.37)
12	Net Profit after Taxes before Minority Interest	134.00	**55.40**	37.04	**189.40**	128.01
13	Less: Minority Interest in Net Profit/ (Loss) of the Subsidiary	11.49	**7.35**	(0.55)	**18.84**	(0.55)
14	Net Profit	122.51	**48.05**	37.59	**170.56**	128.56
15	Paid-up Equity Share Capital	53.06	**53.06**	52.55	**53.06**	52.55
16	Reserves (Excluding Revaluation Reserves)	708.03	**714.87**	582.01	**714.87**	582.01
17	Basic Earnings per Share (Rs.)	23.25	**9.10**	7.17	**32.31**	24.51
18	Diluted Earnings per Share (Rs.)	22.75	**8.94**	7.03	**31.74**	24.04

The above consolidated results include the results of the following subsidiary companies:

Sr. No.	Company	Date of Incorporation	Location	% Holding
1	Geometric Software Solutions, Inc.	18th August, 1997	USA	100%
2	Geometric Software Solutions Pte. Ltd.	10th April, 2002	Singapore	100%
3	3D PLM Software Solutions Ltd.	14th December, 2001	India	70%

Audited Segment Financial Results (Consolidated)

(Rs.Million)

	Particulars	Nine months Ended 31-12-2002	**Quarter Ended 31-3-2003**	Quarter Ended 31-3-2002	**Year Ended 31-3-2003 (Audited)**	Year Ended 31-3-2002 (Audited)
A	**Segment Revenue:**					
	Products	95.51	**26.58**	24.40	**122.09**	97.99
	Projects	522.02	**197.05**	148.22	**719.07**	526.87
	Total	617.53	**223.63**	172.62	**841.16**	624.86
	Less : Inter Segment Revenue	-	**-**	-	**-**	-
	Net Sale/Income from Operations	617.53	**223.63**	172.62	**841.16**	624.86
B	**Segment Results**					
	Profit before Tax and Interest from each segment					
	Products	45.94	**10.96**	8.03	**56.90**	32.37
	Projects	272.51	**102.32**	73.77	**374.83**	258.78
	Total	318.45	**113.28**	81.80	**431.73**	291.15
	Less : (I) Interest	-	**-**	-	**-**	-
	(II) Other Un allocable expenditure net of unallocable income	171.44	**52.00**	40.24	**223.44**	155.62
	Total Profit Before Tax	147.01	**61.28**	41.56	**208.29**	135.53
C	**Capital Employed**					
	(Segment Assets - Segment Liabilities) (See Note 2)					

Notes:

1. The above audited results have been approved and taken on record by the Board of Directorsat its meeting held on 22nd April, 2003.

2. Fixed Assets and other assets used in the Company's operations or liabilities contracted have not been identified to any of the reportable segments, as the 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.

3. Figures of previous year have been regrouped and stated in line with the current year's presentation.Theamounts invoiced to customers towards reimbursement of expenses have been reduced from the respectiveexpenditure effective from the current financial year, while they were included in the Sales in previous year.**Consequently Sales, Travelling expenses and Other expenses are lower by the amountsas mentioned below**

(Rs.Million)

Particulars	Nine months Ended 31-12-2002	Quarter Ended 31-3-2003	Quarter Ended 31-3-2002	Year Ended 31-3-2003	Year Ended 31-3-2002
Unconsolidated Results					
Sales	16.18	4.45	10.18	20.63	44.23
Travelling Expenses	9.51	2.69	3.26	12.19	22.49
Other Expenses	6.67	1.76	6.92	8.44	21.74
Consolidated Results					
Sales	20.46	5.75	10.18	26.22	44.23
Travelling Expenses	12.29	3.99	3.26	16.29	22.49
Other Expenses	8.17	1.76	6.92	9.93	21.74

This regrouping has no impact on reported profits.

4 During the year the paid up capital of the Company increased by Rs. 504,410 on allotment of 50,441 Equity Shares. This is pursuant to the exercise of stock options by employees and exercise of preferential options granted to a professor.

5 During the year, the company has made investment of Rs 3.69 million (USD 77,000) in convertible preferred stock of OnCourse Technology Inc. This is further to the Rs 9.07 million (USD 192,000) invested in this company last year.

6 The Board has recommended dividend at the rate of Rs 4 (net of dividend tax) per equity share of Rs 10 each , subject to the approval of shareholders.

For Geometric Software Solutions Co. Ltd.

Mumbai
22nd April, 2003

Manu Parpia
Managing Director

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD.
Profit and Loss Account for the Quarter ended 31st March, 2003

PARTICULARS	Quarter III (2002-03)	% to Total Quarter Revenue 2002 - 2003	Quarter IV (2002-03)	% to Total Quarter Revenue 2002 - 2003	Sequential Growth over Last Quarter	Quarter IV (2001-02)	% to Quarter III Revenue 2001 - 2002	Q-O-Q Growth compared to Last Year
	A	B	C	D	E = (C-A)/A	F	G	H=(C-F)/F
Projects Offshore Sales (US$ Millions)	3.52	77%	3.73	79%	6%	2.46	69%	52%
On site consultants revenue (US$ Millions)	0.39	9%	0.49	10%	25%	0.59	17%	-17%
Software Sales (US$ Millions)	0.65	14%	0.51	11%	-21%	0.51	14%	1%
Total Revenue (US$ Millions)	**4.56**	**100%**	**4.74**	**100%**	**4%**	**3.56**	**100%**	**33%**
Exchange Rate: 1 USD = Rs.								
Sales - Software Packages & Services								
Projects (Net of expense reimbursements)	169.96	74%	175.02	75%	3%	119.57	64%	46%
Onsite consultants revenue	18.27	8%	22.03	9%	21%	28.59	15%	-23%
Software (Components and Products)	31.24	14%	26.58	11%	-15%	24.45	13%	9%
Total Operating Revenue	**219.47**	**96%**	**223.63**	**95%**	**2%**	**172.62**	**92%**	**30%**
Other Revenue	9.18	4%	10.69	5%	16%	14.03	8%	-24%
TOTAL REVENUE	**228.65**	**100%**	**234.32**	**100%**	**2%**	**186.65**	**100%**	**26%**
EXPENSES								
(a) Factory Direct								
Fixed								
Foreign Travel exps	3.63	2%	4.63	2%	28%	1.41	1%	229%
Depreciation (Non-PC)	5.17	2%	5.17	2%	0%	4.29	2%	20%
Data Communication costs	1.12	0%	0.74	0%	-34%	1.38	1%	-47%
Rent	3.06	1%	3.07	1%	0%	3.00	2%	2%
Power, fuel & electricity	1.91	1%	1.90	1%	-1%	1.42	1%	34%
Tel. Fax, Courier	1.37	1%	1.37	1%	0%	1.33	1%	3%
Local travel & conveyance	1.00	0%	0.60	0%	-40%	0.77	0%	-22%
Miscellaneous exps	5.87	3%	4.92	2%	-16%	7.10	4%	-31%
Finance Charges			-					
Total Fixed	**23.12**	**10%**	**22.39**	**10%**	**-3%**	**20.70**	**11%**	**8%**
Variable								
Manpower exps	66.44	29%	71.96	31%	8%	49.40	26%	46%
Staff Welfare	2.89	1%	2.66	1%	-8%	1.46	1%	82%
Software Tools & Packages	6.39	3%	6.98	3%	9%	2.79	1%	150%
Depreciation (PC)	10.22	4%	10.78	5%	5%	6.58	4%	64%
Recruitment costs	1.71	1%	0.20	0%	-88%	0.91	0%	-78%
Training	0.76	0%	0.94	0%	25%	1.02	1%	-7%
Bad debts provision	(0.36)	0%	2.44	1%	-778%	0.01	0%	24317%
							0%	
Total Variable	**88.04**	**39%**	**95.97**	**41%**	**9%**	**62.16**	**33%**	**54%**
Total Factory Direct	**111.16**	**49%**	**118.36**	**51%**	**6%**	**82.86**	**44%**	**43%**
(b) On-site consultants cost	13.15	6%	16.28	7%	24%	20.99	11%	-22%
% to on site consultant's revenue	72%		74%			73%		
(c) SBU Head's Office Expenses	2.73	1%	3.02	1%	11%	8.43	5%	-64%
(d) Marketing Costs	1.72	1%	0.87	0%	-49%	-	0%	
(e) Less: Development funded by CTO	1.57	1%	1.75	1%	11%	2.63	1%	-34%
Division's Direct Expenses	**127.19**	56%	**136.78**	**58%**	**8%**	**109.65**	**59%**	25%
% to Total Operating Revenue	58%		61%			64%		
Division's contribution	**101.47**	44%	**97.54**	**42%**	**-4%**	**77.00**	**41%**	**27%**
% to Total Operating Revenue	46%		44%			45%		
(e) Overhead Allocations								
Sales	23.18	10%	15.61	7%	-33%	15.18	8%	3%
Central Services	9.99	4%	9.36	4%	-6%	8.99	5%	4%
Non-Factory Corporate	8.96	4%	9.57	4%	7%	8.64	5%	11%
Development funded by CTO	1.57	1%	1.75	1%	11%	2.63	1%	-34%
Total Expenses	**170.89**	75%	**173.06**	74%	1%	**145.09**	78%	19%
% to Total Revenue	75%		74%			78%		
NET PROFIT	**57.77**	25%	**61.26**	26%	6%	**41.56**	22%	47%
% to Total Revenue	25%		26%			22%		
OPERATING PROFIT	**48.59**	21%	**50.57**	22%	4%	**27.53**	15%	84%
% to Operating Revenue	**22%**		**23%**			**16%**		

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD.
Profit and Loss Account for the year ended 31st March 2003

PARTICULARS	Year ended 31.03.2003	% to Total 2002 - 2003	Year ended 31.03.2002	% to Total 2001 - 2002	Growth compared to Last Year	
Projects Offshore Sales (US$ Millions)	12.90	74%	8.86	68%	46%	
On site consultants revenue (US$ Millions)	2.05	12%	2.15	16%	-5%	
Software Sales (US$ Millions)	2.48	14%	2.04	16%	22%	
Total Revenue (US$ Millions)	**17.43**	**100%**	**13.05**	**100%**	**34%**	
Exchange Rate: 1 USD = Rs.						
Sales - Software Packages & Services						
Projects (Net of expense reimbursements)	621.57	71%	423.62	64%	47%	
Onsite consultants revenue	97.49	11%	103.07	16%	-5%	
Software (Components and Products)	122.09	14%	98.17	15%	24%	0.48
Total Operating Revenue	**841.15**	**96%**	**624.86**	**94%**	**35%**	
Other Revenue	35.98	4%	38.04	6%	-5%	
TOTAL REVENUE	**877.13**	**100%**	**662.90**	**100%**	**32%**	
EXPENSES						
(a) Factory Direct						
Fixed						
Foreign Travel exps	12.00	1%	4.77	1%	152%	
Depreciation (Non-PC)	20.71	2%	17.96	3%	15%	
Data Communication costs	3.97	0%	4.49	1%	-12%	
Rent	10.59	1%	9.75	1%	9%	
Power, fuel & electricity	8.40	1%	6.72	1%	25%	
Tel. Fax, Courier	4.94	1%	4.92	1%	0%	
Local travel & conveyance	3.60	0%	2.92	0%	23%	
Miscellaneous exps	23.01	3%	25.43	4%	-10%	
Finance Charges						
Total Fixed	**87.21**	**10%**	**76.96**	**12%**	**13%**	
Variable						
Manpower exps	259.90	30%	187.73	28%	38%	
Staff Welfare	9.85	1%	5.80	1%	70%	
Software Tools & Packages	22.57	3%	10.55	2%	114%	
Depreciation (PC)	38.79	4%	23.11	3%	68%	
Recruitment costs	3.40	0%	2.66	0%	28%	
Training	2.94	0%	2.77	0%	6%	
Bad debts provision	5.15	1%	2.91	0%	77%	
Total Variable	**342.60**	**39%**	**235.52**	**36%**	**45%**	
Total Factory Direct	**429.81**	**49%**	**312.48**	**47%**	**38%**	
% to Total Operating Revenue	51%		47%			
(b) On-site consultants cost	71.38	8%	65.70	10%	9%	
% to on site consultant's revenue	73%		64%			
(c) SBU Head's Office Expenses	19.58	2%	35.86	5%	-45%	
(d) Marketing Costs	4.85	1%	-	0%		
(e) Less: Development funded by CTO	7.62	1%	6.14	1%	24%	
Division's Direct Expenses	**518.01**	59%	**407.89**	62%	27%	
% to Total Operating Revenue	62%		65%			
Division's contribution	**359.12**	41%	**255.01**	38%	41%	
% to Total Operating Revenue	43%		41%			
(e) Overhead Allocations						
Sales	68.90	8%	56.04	8%	23%	
Central Services	36.44	4%	31.87	5%	14%	
Non-Factory Corporate	37.89	4%	25.44	4%	49%	
Development funded by CTO	7.63	1%	6.14	1%	24%	
Total Expenses	**668.86**	76%	**527.37**	80%	27%	
% to Total Revenue	76%		80%			
NET PROFIT	**208.28**	24%	**135.53**	20%	54%	
% to Total Revenue	24%		20%			
OPERATING PROFIT	**172.30**	20%	**97.49**	15%	77%	
% to Operating Revenue	**20%**		**16%**			

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD. (Consolidated)

Growth in Sales over Last Year
Figures in US$ Million

	01-02	01-02	01-02	01-02	01-02	02-03	02-03	02-03	02-03	Year ended 31.12.2002
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	
Projects - Offshore	1.65	1.92	2.01	2.09	7.67	2.40	2.51	3.00	3.04	10.95
Fixed Price Projects	0.18	0.33	0.35	0.41	1.27	0.29	0.36	0.42	0.57	1.64
Projects - Onsite	0.31	0.52	0.64	0.59	2.06	0.57	0.59	0.39	0.49	2.05
Software	0.63	0.42	0.48	0.51	2.04	0.64	0.68	0.65	0.51	2.48
Domestic	0.04	0.01	-	-	0.05	0.07	0.04	0.09	0.12	0.31
Total	**2.81**	**3.20**	**3.48**	**3.60**	**13.09**	**3.97**	**4.18**	**4.56**	**4.73**	**17.43**

Prouct R & D Expenses (Consolidated)

(Rs Million)

	Particulars	Quarter Ended 31-3-2003	Quarter Ended 31-3-2002	Year Ended 31-3-2003 (Audited)	Year Ended 31-3-2002 (Audited)
A	Product Revenue	26.58	24.40	122.09	97.99
B	Product Costs	15.62	16.37	65.19	65.62
C	Product Contribution	10.96	8.03	56.90	32.37
D	Total Revenue (Product + Project)	223.62	172.62	841.15	624.86
E	Product Costs as % of Total Revenue (B / D)	7.0%	9.5%	7.8%	10.5%
	Product Contribution as % of Product Revenue	41.2%	32.9%	46.6%	33.0%