

**GEOMETRIC SOFTWARE SOLUTIONS CO. LTD.**

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**AUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30TH JUNE, 2004 (UNCONSOLIDATED)**

(Rs. in Million)

Sr. No.	Particulars	Quarter Ended 30-6-2004	Quarter Ended 30-6-2003 (Unaudited)	Year Ended 31-3-2004
1	Net Sales - Software and Services	194.28	136.98	636.72
2	Other Income			
	(a) Gain/ (Loss) on Exchange Fluctuations (Net)	8.67	3.10	16.16
	(b) Others	22.33	17.85	81.57
3	Total Income	225.28	157.93	734.45
4	Expenditure:			
	(a) Personnel Expenses	111.55	73.36	319.65
	(b) Travelling Expenses	14.56	12.38	42.77
	(c) Other Expenses	39.32	29.66	139.16
	(d) Total Expenditure	165.43	115.40	501.58
5	Profit before Interest, Depreciation and Taxes	59.85	42.53	232.87
6	Interest	-	-	0.03
7	Depreciation	15.50	11.18	45.45
8	<b>Profit before Tax</b>	<b>44.35</b>	<b>31.35</b>	<b>187.39</b>
9	Provision for Taxation:			
	(a) Current Taxes	10.45	3.02	16.05
	(b) Deferred Taxes	(0.72)	-	4.74
10	<b>Net Profit after Taxes</b>	<b>34.62</b>	<b>28.33</b>	<b>166.60</b>
11	Paid-up Equity Share Capital	55.11	53.03	54.49
12	Reserves (Excluding Revaluation Reserves)	869.74	702.01	825.47
13	Basic Earnings per Share ( Rs.)	6.31	5.34	31.16
14	Diluted Earnings per Share ( Rs.)	6.28	5.27	30.83
15	Aggregate of non-promoter shareholding			
	- Number of Shares	3,763,535	3,543,033	3,698,677
	- Percentage of Shareholding	68.29	66.82	67.87

**AUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30TH JUNE, 2004 (CONSOLIDATED)**

(Rs. in Million)

Sr. No.	Particulars	Quarter Ended 30-6-2004	Quarter Ended 30-6-2003 (Unaudited)	Year Ended 31-3-2004
1	Net Sales - Software and Services	<b>349.28</b>	227.38	1,060.27
2	Other Income			
	(a) Gain/ (Loss) on Exchange Fluctations (Net)	<b>12.49</b>	6.12	31.24
	(b) Others	<b>8.10</b>	6.89	32.33
3	Total Income	<b>369.87</b>	240.39	1,123.84
4	Expenditure:			
	(a) Personnel Expenses	<b>205.82</b>	127.25	569.17
	(b) Travelling Expenses	<b>20.33</b>	14.29	53.00
	(c) Other Expenses	<b>41.72</b>	27.11	148.82
	(d) Total Expenditure	<b>267.86</b>	168.65	770.98
5	Profit before Interest, Depreciation and Taxes	<b>102.01</b>	71.74	352.86
6	Interest	<b>0.00</b>	0.09	0.10
7	Depreciation	<b>29.11</b>	17.41	82.11
8	<b>Profit before Tax</b>	<b>72.90</b>	<b>54.24</b>	<b>270.65</b>
9	Provision for Taxation:			
	(a) Current Taxes	<b>13.24</b>	4.87	23.35
	(b) Deferred Taxes	<b>(0.72)</b>	-	5.18
10	Net Profit after Taxes before Minority Interest	<b>60.38</b>	49.37	242.12
11	Less: Minority Interest in Net Profit of the Subsidiary	<b>9.35</b>	8.26	33.62
12	<b>Net Profit</b>	<b>51.03</b>	41.11	208.49
13	Paid-up Equity Share Capital	<b>55.11</b>	53.03	54.49
14	Reserves (Excluding Revaluation Reserves)	<b>962.35</b>	754.64	903.06
15	Basic Earnings per Share ( Rs.)	<b>9.30</b>	7.75	39.00
16	Diluted Earnings per Share ( Rs.)	<b>9.25</b>	7.64	38.58

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

	<u>% Holding</u>
1 Geometric Software Solutions, Inc.	100%
2 Geometric Software Solutions Pte. Ltd.	100%
3 3D PLM Software Solutions Ltd.	70%

Audited Segment Financial Results (Consolidated)

(Rs.Million)

	Particulars	Quarter Ended 30-6-2004	Quarter Ended 30-6-2003 (Unaudited)	Year Ended 31-3-2004
<b>A</b>	<b>Segment Revenue:</b>			
	Products	31.39	26.09	111.56
	Projects	317.89	201.29	948.71
	Total	349.28	227.38	1,060.27
	Less : Inter Segment Revenue	-	-	-
	Net Sale/Income from Operations	349.28	227.38	1,060.27
<b>B</b>	<b>Segment Results</b>			
	Profit before Tax and Interest from each segment			
	Products	14.73	10.93	48.26
	Projects	132.14	96.64	462.69
	Total	146.86	107.57	510.95
	Less : (I) Interest	-	0.08	0.11
	(II) Other Unallocable expenditure net of unallocable income	73.96	53.25	240.19
	Total Profit Before Tax	72.90	54.24	270.65
<b>C</b>	<b>Capital Employed</b>			
	(Segment Assets - Segment Liabilities)			
	(See Note 2)			

**Notes:**

1. The above results have been approved and taken on record by the Board of Directors at its meeting held on 20th July, 2004.
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; hence, it is not practicable to provide segment disclosures relating to total assets and liabilities.
3. During the quarter ended 30th June 2004, the paid up capital of the Company has increased by Rs.618,580 on allotment of 61,858 Equity Shares. This is pursuant to the exercise of vested stock options by the employees and Directors of the Company under various Stock Option Schemes.

4. Information on investors complaints for the quarter ended 30th June, 2004:

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	1	8	9	Nil

5. Pursuant to approval of issue of Bonus Equity Shares in the ratio 1:1 (1 share for every 1 share held) at the 10th Annual General Meeting of the Company held on 29th June, 2004, the Company has fixed Tuesday, the 3rd August, 2004 as the Record Date for reckoning the shareholders entitled to receive the bonus shares.

6. Software Expense Policy:

With effect from 1st April, 2004, the Company has adopted the following accounting policy for Software Expenses: 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 unamortised cost is also charged to revenue.

Till last year, the cost of software purchased for use in software development was charged to revenue, whereas the cost of software purchased for specific software development contracts was charged over the period of such contracts.

As a result of this change, the Profit before Tax for the current quarter is higher by Rs 8.68 million.

**For Geometric Software Solutions Co. Ltd.**

Mumbai  
20th July, 2004

**Manu Parpia**  
Managing Director