

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD.

Regd. Office: Plant 14, Pirojshanagar, Vikhroli, Mumbai - 400 079.

Phone : (022) 55960800 Fax : (022) 55960891 e-mail: investor-relations@geometricsoftware.com

Website: www.geometricsoftware.com

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

(Rs. in Million)

Sr. No.	Particulars	Quarter ended 30-9-2004	Quarter ended 30-9-2003 (Unaudited)	Half-year ended 30-9-2004	Half-year ended 30-9-2003 (Unaudited)	Year ended 31-3-2004
1.	Net Sales - Software and Services	225.06	155.40	419.34	292.38	636.72
2.	Other Income :					
	(a) Gain/ (Loss) on Exchange Fluctations (Net)	(0.03)	4.04	8.64	7.14	16.16
	(b) Others	25.13	19.66	47.46	37.51	81.57
3.	Total Income	250.16	179.10	475.44	337.03	734.45
4.	Expenditure:					
	(a) Personnel Expenses	113.46	75.03	225.01	148.39	319.65
	(b) Travelling Expenses	13.68	8.63	28.24	21.01	42.77
	(c) Other Expenses	42.29	34.07	81.60	63.73	139.16
	(d) Total Expenditure	169.43	117.73	334.85	233.13	501.58
5.	Profit before Interest, Depreciation and Taxes	80.73	61.37	140.59	103.90	232.87
6.	Interest	0.02	0.03	0.03	0.03	0.03
7.	Depreciation	15.69	10.46	31.19	21.64	45.45
8.	Profit before Taxes	65.02	50.88	109.37	82.23	187.39
9.	Provision for Taxation:					
	(a) Current Taxes	12.68	3.61	23.13	6.63	16.05
	(b) Deferred Taxes	1.50	1.30	0.78	1.30	4.74
10.	Net Profit after Taxes	50.84	45.97	85.46	74.30	166.60
11.	Paid-up Equity Share Capital	110.54	53.33	110.54	53.33	54.49
12.	Reserves (Excluding Revaluation Reserves)	868.18	751.08	868.18	751.08	825.47
13.	Basic Earnings per Share (Rs.) *	6.98	4.33	11.74	7.00	15.58
14.	Diluted Earnings per Share (Rs.) *	6.89	4.26	11.58	6.88	15.41
15.	Aggregate of non-promoter shareholding					
	- Number of Shares	7,564,786.00	3,575,918	7,564,786	3,575,918	3,698,677
	- Percentage of Shareholding	68.43	67.06	68.43	67.06	67.87

* Basic / Diluted Earnings per Share for the previous year have been adjusted for the issue of Bonus Shares in the ratio of 1:1.

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

(Rs. in Million)

Sr. No.	Particulars	Quarter ended 30-9-2004	Quarter ended 30-9-2003 (Unaudited)	Half-year ended 30-9-2004	Half-year ended 30-9-2003 (Unaudited)	Year ended 31-3-2004
1.	Net Sales - Software and Services	398.67	250.79	747.95	478.17	1,060.27
2.	Other Income :					
	(a) Gain/ (Loss) on Exchange Fluctuations (Net)	(2.06)	9.32	10.43	15.44	31.24
	(b) Others	11.83	7.13	19.93	14.02	32.33
3.	Total Income	408.44	267.24	778.31	507.63	1,123.84
4.	Expenditure:					
	(a) Personnel Expenses	220.81	132.86	426.63	260.11	569.17
	(b) Travelling Expenses	18.29	10.78	38.62	25.07	53.00
	(c) Other Expenses	48.83	38.15	90.55	65.26	148.82
	(d) Total Expenditure	287.93	181.79	555.80	350.44	770.99
5.	Profit before Interest, Depreciation and Taxes	120.51	85.45	222.51	157.19	352.85
6.	Interest	0.03	0.02	0.03	0.11	0.10
7.	Depreciation	30.11	18.72	59.22	36.13	82.11
8.	Profit before Taxes	90.37	66.71	163.26	120.95	270.64
9.	Provision for Taxation:					
	(a) Current Taxes	14.35	5.18	27.59	10.05	23.35
	(b) Deferred Taxes	2.20	1.30	1.48	1.30	5.18
10.	Net Profit after Taxes before Minority Interest	73.82	60.23	134.19	109.60	242.11
11.	Less: Minority Interest in Net Profit of the Subsidiary	10.57	7.16	19.92	15.42	33.62
12.	Net Profit	63.25	53.07	114.27	94.18	208.49
13.	Paid-up Equity Share Capital	110.54	53.33	110.54	53.33	54.49
14.	Reserves (Excluding Revaluation Reserves)	970.86	809.40	970.86	809.40	903.06
15.	Basic Earnings per Share (Rs.) *	8.69	5.00	15.69	8.87	19.50
16.	Diluted Earnings per Share (Rs.) *	8.57	4.92	15.49	8.72	19.29

* Basic / Diluted Earnings per Share for the previous year have been adjusted for the issue of Bonus Shares in the ratio of 1:1.

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

Sr.No.	Company	% Holding
1	Geometric Software Solutions, Inc., U.S.A.	100%
2	Geometric Software Solutions Pte. Ltd., Singapore	100%
3	3D PLM Software Solutions Ltd., India	70%

Audited Segment Financial Results (Consolidated)

(Rs.in Million)

	Particulars	Quarter ended 30-9-2004	Quarter ended 30-9-2003 (Unaudited)	Half-year Ended 30-9-2004	Half-year ended 30-9-2003 (Unaudited)	Year ended 31-3-2004
A.	Segment Revenue					
	Products	29.56	23.53	60.94	49.62	111.56
	Projects	369.11	227.26	687.01	428.56	948.71
	Total	398.67	250.79	747.95	478.18	1,060.27
	Less : Inter Segment Revenue	-	-	-	-	-
	Net Sale/Income from Operations	398.67	250.79	747.95	478.18	1,060.27
B.	Segment Results					
	Profit before Tax and Interest					
	Products	12.13	7.54	26.86	18.47	48.26
	Projects	169.10	115.88	301.24	212.52	462.69
	Total	181.23	123.42	328.10	230.99	510.95
	Less : (a) Interest	0.03	0.02	0.03	0.11	0.11
	(b) Other Unallocable expenditure net of unallocable income	90.83	56.69	164.81	109.93	240.20
	Total Profit before Tax	90.37	66.71	163.26	120.95	270.64
C.	Capital Employed (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 21st October, 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 these are used interchangeably among segments; hence, it is not practicable to provide segment disclosures relating to total assets and liabilities.
3. (a) Pursuant to the approval of issue of Bonus Equity Shares in the ratio of 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 allotted 5,516,494 Equity Shares of Rs. 10 each as Bonus Shares on 6th August, 2004 and consequently, the paid up capital of the Company has increased by Rs. 55,164,940.

(b) Pursuant to the exercise of vested stock options by employees and directors of the Company under various Stock Options Schemes, the Company allotted 26,457 Equity Shares of Rs 10 each during the quarter ended 30th September, 2004, and 88,315 Equity Shares of Rs 10 each during the half-year ended on that date.

4. Information on investor complaints for the quarter ended 30th September, 2004:

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	Nil	23	23	Nil

5. 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 Taxes for the current quarter is higher by Rs. 6.42 million, and for the half-year ended 30th September, 2004 is higher by Rs. 15.09 million.

For Geometric Software Solutions Co. Ltd.

Mumbai
21st October, 2004

Manu Parpia
Managing Director