20th January 2006

Results for the quarter ended December 31, 2005

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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 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 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 statement that may be made from time to time by or on behalf of the company.

From the MD's Desk

We returned to a healthy growth rate this quarter with a 13% Q on Q figure, which is more in line with our plan. In this note, I will also expand on the initiatives we are implementing, in order to ensure we can improve predictability of both revenues and profits.

Our consolidated revenues grew 17% in rupee terms Q on Q and 13% in US$ terms. Our overall growth compared to last year was 36 % in US$ and 38 % in rupees. While the operating profit recovered in the current quarter to 18% of revenue, our YTD performance remains below that of the previous year. Furthermore due to foreign exchange fluctuations, we booked a loss of over Rs. 52 million this quarter, which has affected the PAT adversely.

The quarter has seen a number of exciting developments, particularly in our product areas. During the period, we consolidated our product offering into two groups as mentioned in my last note, viz. Desktop Products and Technologies one hand; Enterprise Products on the other. The Desktop Product unit brought in record revenues led by the CamWorks / ProCam series, whose revenues topped $1million in the quarter for the first time. This was as a result of the investments made in restructuring the channel in the previous quarters as well as the introduction of several new modules / sales bundles in this quarter. Our e-Drawings and GeomCaliper also saw good sales enabling the TekSoft unit to launch its new role successfully.

The quarter also saw us achieve closure on the various agreements necessary to launch the CAD-PDM product. We were also fortunate to have the support of two corporate majors who will act as initial customers. We believe the architecture we have deployed is extensible enabling us to seek applications beyond the CAD-PDM integration. Indeed if the architecture is successful, then we can build a series of applications enabling the Company to position itself as a major player in the Interoperability space, which in turn will lead to revenue opportunities in related services.

Last quarter I had mentioned the new initiative around application maintenance services and our targeting mid sized companies. Our offerings have been well received and we see continued traction in that two of these opportunities have been converted into ODC's which add to our 'annuity' revenue stream in a steady manner over the next few quarters. We continue to actively pursue this initiative both for PLM and engineering services as we believe success in the approach will help us improve both the predictability and profitability of our revenue stream.

While our Engineering Services Division continues to grow, we are clear we need to augment its activities through an acquisition so as more quickly achieve critical mass. The accelerated growth of engineering services is vital to our achieving the $100 million goal. For that reason we have created a function dedicated to Strategy and Planning which will report directly to me. A key deliverable of this function is to identify appropriate candidates for possible acquisition.

Other developments include deployment and support of the 'Accounts and Practices' initiative we launched last quarter. This is designed to bring about greater emphasis on performance while ensuring emphasis on technical excellence in the organisation. We are also pleased to confirm our efforts in securing more business from software product companies (OEM's) paid off and we were selected by a existing customer to head their offshore initiative. The activity will see a steady growth in next few quarters. During the quarter we also identified the ERP package we plan to adopt and after a series of rigorous exercises, identified a partner to help us implement it successfully. We also revamped our receivables related activities with a view to bringing about efficiency in collections while leaving the sales team more time to focus on revenue generating activity. This has paid off in that many provisions made in the last quarter could be reversed.

When we had changed the organisation structure last January we had indicated this will be reviewed and probably modified by April 2006. We have started an exercise which has enabled us to identify options. We are in the process of validating these against our needs, the market needs, while at the same time reviewing the cost implications before we put them into action. We should have a concrete plan in place by April 2006.

We are also aware that the ‘bloat’ effect of the last two quarters cannot be wiped away in a single quarter. We improved our utilisation significantly but are still below budget. Furthermore we had made significant investments in our infrastructure and support services in anticipation of higher volumes. While we have taken steps to control indirect and fixed costs to bring them in line with current growth rates, unfortunately we cannot entirely do away with these expenses with immediate effect. It is our endeavour to ensure costs are back in line in the next two quarters.

As a part of our initiative to provide shareholders more information and promote greater transparency, we have revamped the detailed notes attached hereto. There is a lot more information on the operations of the Company and it is our endeavour to add more details over a period of time.

Next quarter we see growth (in US $) in the high single digits or low double digits. Our product activities are not likely to grow this quarter as typically the last calendar quarter is a seasonal high for product revenues.

As we move forward, $100 million by 2007 remains a target I wish us to achieve. I believe the current business can produce a revenue stream which at best can grow in the high single digits to low double digits, Q on Q. This will not be enough to get us to $100 million, nor was it supposed to in that we had always envisaged an acquisition in the engineering services space. As I stated earlier, while we continue to pursue opportunities, we are also mindful that any acquisition should be strategic and earnings accretive-where possible. Keeping that in mind we will seek to fund any acquisition from internal resources (including asset restructuring), debt and raising equity in that order of preference.

The Company has scheduled an Analyst Call on **Monday, 23rd January 2006 at 4.15pm.** Kindly contact **Ajit Nafde on 55056970 / 0500** to ensure that you are included in the arrangements.

Regards,

Manu Parpia
Managing Director

Business Analysis for the Quarter ended 31st December 2005

Enterprise Products

Significant Achievements

After considerable delay, we were finally able to get all necessary approvals for the first in the series of our Interoperability enterprise products. On 9th December, we informed the Stock Exchanges that we had signed agreements with Dassault Systemes and UGS to license their technologies to build the Integration, as well as signed agreements with UGS and IBM BCS to distribute the product. We also received orders from two major companies to help launch the integrations.

Future Plan of Action

We believe the architecture we have developed is extensible and can be applied to any integration involving two server-based products. Thus we cannot only expand the variety of the current offerings viz. CAD-PDM by extending the CAD and /or PDM platforms but also extend the GateWay concept to PDM/ERP integrations as well as other areas. We therefore believe the product presents Geometric with a unique opportunity to:

i. Build a unique position for its product portfolio
ii. Add to its services offering through customisation services as well as Application Maintenance Services.
iii. Leverage the technology to enter the enterprise space
iv. Build a sales channel with the help of Global players.

The Company has received several serious inquiries from other companies and we are in the process of addressing them with the help of our partners.

Sales & Marketing

Significant Achievements

As the results for this quarter show, we have regained the momentum in our sales activity. We attracted 6 new customers and more encouragingly are working closely with both partners and some mid sized direct customers to deepen the relationship which will result in a steady and growing business in future quarters. These activities are typically built around our new offering viz. Application Maintenance Services, which potential customers are finding attractive. The marketing campaign we had initiated last quarter has resulted in inquiries from several potential customers. In fact two of these inquiries were converted into pilot projects and we are now in the final stage of negotiating long-term contract with one of these. We expect these efforts to continue to bear fruits steadily over the next quarters.

Challenges/Setbacks in the past quarter

As our offerings become more integrated and complex we need to improve our sales force’s ability to effectively communicate these offerings to potential customers. We need to integrate the newly introduced concept of Account Management with the sales activity in a manner which will allow account managers to “develop” while giving the sales team time to ‘pursue’ new opportunities. We are also making changes in our sales team so as to align with the changes in our approach.

Future Plan of Action

Recognizing the challenges highlighted before, we are improving sales reporting processes and sales administration with an objective of ensuring greater degree of predictability in our sales effort.

We continue to seek building relationships with new Software Product Companies which in turn help us to get annuity business.

We will approach our industrial customers in a two-pronged manner:

(a) We have identified large system integrators, with whom we have the potential of jointly bidding for large multi-year projects. We are already in discussion with a few of these partners and have bid for a large project with one of the partners.

(b) The other target market is mid-sized customers generated through our lead generation activity.

We plan to participate in select industrial exhibitions around the world to increase our visibility in this sector.

Engineering Services Division

Significant Achievements

Our Engineering Services business showed a steady growth last quarter. We added 2 new customers which will enable us to sustain growth in the coming quarter. We also saw a significant increase in demand for services in Europe. Unfortunately most of these are onsite opportunities. We are however in discussion with our partners to convert some of these into long term offshore activities.

Challenges / Setbacks in the past quarter

We have as yet been unable to attain the necessary critical mass to make this activity grow in line with the potential market. In order to do this we see the need to successfully execute the acquisition plan where we continue to actively pursue options. The absence of an anchor customer with long term visibility continues to affect our ability to operate in an efficient manner.

Future plan of action

Our approach here is multi-pronged. On one hand we continue our search for an appropriate acquisition candidate. In addition we are now actively seeking business opportunities in India where we believe that the Company can make an attractive packaged offering for industrial customer to meet their engineering needs. We will also continue to pursue our practice of directly approaching mid-size overseas companies to act as their single source for engineering services.

Rajiv Salkar
Vice President – Sales and Marketing

Desktop Products

Significant/ Key achievements of the last quarter

Last quarter, Geometric integrated its product unit consisting of Desktop Products and Technologies with Teksoft. In addition to their flagship product, CamWorks, Teksoft is now the distributor for Geometric Desktop software products and the marketing arm for Geometric technologies. Teksoft's revenues from its CAM products grew significantly Q-on-Q and topped $ 1million for the first time in its history. The revamping of the product line appears to be paying off.

Teksoft introduced in its two high end configurations, a bundle of three new utilities based on Geometric's products and technologies. It also introduced FabWorks, a new product to automate the programming of sheet metal cutting machines,

eDrawings added one more CAD company to its list of OEM customers, while continuing its momentum of garnering end user customers. The new version of Feature Recognition Library, incorporating R&D and customer driven enhancements, was released. Renewal of support contracts and renewed interest in Feature Recognition technology, by way of active enquiries and evaluations, were key highlights of the last quarter.

Challenges/ Setbacks in the past quarter

3DSearchIT did not achieve the desired success in the last quarter. We plan to introduce a family of 3DSearchIT based end-user desktop products over a popular CAD system. These products will be sold through our existing channel for desktop products.

Future plan of action

Driven by customer and partner feedback, we will be introducing a new product category for "manufacturability evaluation" of engineering parts right at the design stage. With 3D models becoming ubiquitous, these products have good potential since they help in significantly reducing the overall time spent in design and engineering stage.

We are launching new marketing initiatives backed by pricing strategies to ensure healthy pipeline for sales of both, technology products and desktop products. Reseller engagement initiatives and the new, integrated product website are steps in this direction. Moreover we are beginning to see interest in the 3D SearchIT technology.

Mike Coleman
CEO - Teksoft

Delivery

Significant/Key achievements of the past quarter

In the past quarter, we signed a new ODC agreement with one of our existing OEM customers, significantly scaling up our partnership. We also commenced relationship with a new OEM in the past quarter. On the Industrial customer front, we witnessed an healthy increase in the number of projects from two of our industrial customers. CAA and Teamcenter Engineering practices witnessed a good traction last quarter. In terms of new initiatives, we launched helpdesk/support for Matrix services for one of our customers. Overall attrition remained under control, giving us the confidence that the proactive measures undertaken on this front are paying off.

Challenges/Setbacks in the past quarter

A couple of challenges we faced last quarter were in the areas of resource fulfillment and project management. Having prerequisite skilled resources available at the right time is critical for scaling up. Focused training programs by the PLM Institute, intra-practice knowledge forums, targeted recruitment, job rotation and improved business forecasting are some of the measures we have taken to counter this problem. On project management, a particular challenge is managing projects for industrial customers, a key segment for future growth. We are deploying the CCPM (Critical Chain Project Management) methodology with the help of external consultants and recently started 4 pilot projects with a target of 30% productivity improvement.

Future plan of action

Going forward, we see a healthy demand in the CAA, Teamcenter Engineering and Matrix practices. Accordingly we are actively pursuing various training programs to meet this demand. In order to provide the desired focus to grow business from key accounts, we have assigned dedicated Account Managers to accounts with significant growth potential. We are also aligning ourselves with the marketing activity on large AMS projects by planning for right resources, training and travel readiness.

Ajit Joshi
Vice President - Delivery

Financial Analysis for the Quarter ended 31st December 2005 (Q3 FY06) (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)

Analysis of Revenue:

- Operating revenues for the quarter increased by 17% compared to previous quarter in Rupee terms and 13% in dollar terms. As compared to Q3FY05, operating revenues increased by 38% in Rupees and 36% in dollars.
- Total revenue (including other income) increased by 10% compared to previous quarter. The loss in mark-to-market valuation of outstanding forward contracts increased due to the depreciation of the Rupee in Q3FY06**.**

- Analysis of revenue by business segments:

Particulars	Q3FY06		Q2FY06		Growth	Q3FY05		Growth
	Rs Mil.	%	Rs Mil.	%	%	Rs Mil.	%	%
Projects	492.93	82	435.26	85	13	396.07	91	24
Products	106.10	18	75.01	15	41	38.85	9	173
Total	599.03	100	510.27	100	17	434.92	100	38

This year Products includes Teksoft revenue.

- Analysis of revenue by geographical segments:

Particulars	Q3FY06	Q2FY06	Q3FY05
	%	%	%
USA	63	62	62
Europe	27	28	21
Rest of the World	10	10	17
Total	100	100	100

- Analysis of revenue by contract types:

Particulars	Q3FY06	Q2FY06	Q3FY05
	%	%	%
Fixed Price	5	5	4
Time and Material	76	81	86
Products	19	14	9
Total	100	100	100

- Analysis of revenue by customer type:

Particulars	Q3FY06	Q2FY06	Q3FY05
	%	%	%
Software OEMs, Products, others	59	60	64
Industrial customers/ Business Partners	41	40	36
Total	100	100	100

Our strategy of working with business partners continues to bear fruit . In addition, for certain select service offerings and geographies, we have also adopted direct go to market strategy especially when approaching mid sized companies viz. $500 million - $ 1 billion.

Foreign exchange gain/ loss:

- In Q1FY06, the company made a pre-announced change in Accounting for valuation of Forward Contracts, moving to mark-to-market valuation of outstanding forward contracts. During this quarter, there is a net foreign exchange loss of Rs 52.77 million.
- As at December 31, 2005, the outstanding forward contracts amounted to $ 47.80 million at an average rate of Rs 45.36 per USD.
- We review the forex exposure every fortnight and take a decision on covering forward. The Company does not use options as a mechanism as on date.

Analysis of Expenses

- Manpower numbers:

Particulars	Dec 31, 2005	Sep 30, 2005	Growth	Dec 31, 2004	Growth
Number of developers					
Offshore	1,232	1,197	3%	932	32%
Onsite	142	119	19%	103	38%
Total	1,374	1,316	4%	1,035	33%

- Utilization and Attrition Ratios:

Particulars	Q3FY06	Q2FY06	Q3FY05
	%	%	%
Utilization			
Including Trainees	84	76	89
Excluding Trainees	90	85	93
Attrition (Annualised)	15	16.3	20.3
Includes desired attrition			

- Analysis of expenses compared to Q3 FY05
    - The Software Development Expenses have increased by 48%
        - The offshore and product development manpower cost has increased by 41%. The increase in cost reflects manpower growth of 32% over the previous year, salary increase effective April 2005 and effect of Teksoft manpower cost consolidation. The effect of larger numbers is partly counter-balanced by the broadening of manpower pyramid.
        - Onsite cost has increased by 32%, reflecting a 38% growth in the number of onsite consultants over the previous year. The effect of manpower growth is counterbalanced by the expansion of engineering services (which has, on an average, lower cost). Onsite gross margins improved to 27% of onsite revenue in Q3 FY06 as compared to 25% in Q3 FY05.
        - Increase in number of trips for pre-sales activity and software development assignments abroad has led to higher spending on Foreign Travel

- Local travel and conveyance have increased due to more projects getting executed from multiple locations.
- Software tools, packages and royalty cost increased due to higher royalty payable on licenses and CAD tools usage for Engineering Services as well as royalties paid by Teksoft pertaining to its revenue.

- Selling & Marketing expenses were 76% higher due to the following:
    - Substantially strengthening the Marketing team as compared to Q3 FY05, recruitment costs of a new sales person in Japan.
    - Additional cost of Teksoft S&M expenses as in to Q3 FY05 at which point in time Teksoft had not been acquired.

- General & Administration Expenses have increased by 67% due to the following:
    - Rent expenses have increased due to to the larger area leased in Mumbai and Bangalore.
    - Power and Fuel expenses have increased due to increased area occupied at Bombay, Bangalore and Pune.
    - In-house competency building training Programs and formation of the PLM Institute for providing specialized training in PLM domain have led to higher training costs.

- Depreciation has increased by 43% due to the following
    - Computer Depreciation increased by 47% in line with hardware upgrade and manpower growth.
    - Non-computer Depreciation increased by 6% due to commissioning of new development centre at Pune. A larger area has been given to the customer who occupies a building in Pune. The depreciation on this building is netted off from the heading 'other revenue'.
    - From this quarter, we have started leasing PC's on a three year basis. The twin benefits of doing this are ensuring replacement in three years and ease of disposal. For the sake of comparison, lease rentals for computers have been shown along side depreciation in the MIS report.

- <u>Analysis of expenses compared to Q2 FY06</u>
    - The Software Development Expenses have increased by 9% over Q2 FY06.
        - The offshore and product development manpower cost has marginally decreased by 1%. This is because of reversal of certain excess bonus provision made in previous quarter.
        - Onsite consultant costs have increased by 21% due to initial start up expenses and the growth in number of Onsite consultants. Onsite margins decreased from 29% to 27% as the initial relocation costs have been incurred in this quarter.
        - Foreign travel costs have increased due to increased pre-sales and business visits.
        - Software tools and royalty expenses increased by 27% due to increase in revenue where royalty is payable, mainly in TekSoft.

    - Selling & Marketing expenses increased by 28%, due to recruitment cost of a new sales person in Japan, and participation in industrial exhibition in Germany.

    - General & Administration expenses have marginally declined by 1%compared to Q2 FY06
        - Decrease in power & fuel expenses is due to a switch to grid power rather than diesel generators at the new Pune development centre, and refund of certain extra charges paid earlier.
        - Recruitment costs have substantially increased mainly because in the previous quarter the costs were unusually subdued.
        - Training costs have increased due to an increase in the number of corporate training and soft-skills development programs conducted for employees and increased emphasis on capability building programs for experienced software developers through the PLM Institute.
        - Miscellaneous expenses have increased due to increase in professional fees towards HR and other consultancy charges.
        - Provision for doubtful debts: There is a net write-back of Rs 2.68 million out of the provision made in earlier period.

- Company has embarked on the journey to implement SAP ERP solution as the information backbone.

  - Depreciation has increased by 19% over Q2 FY06
    - Computer Depreciation increased by 7% in line with hardware up grade and manpower growth
    - Non Computer Depreciation has increased by 54% due to commissioning of the new development centre at Pune.
    - Computer lease rentals have been grouped along with depreciation in MIS report for the sake of comparability.

- **Analysis of tax provision:**

Particulars	Q3FY06	Q2FY06	Q3FY05
	% of PBT	% of PBT	% of PBT
Current Tax	12	10	11
Deferred Tax	4	-	5
Fringe Benefit Tax	3	4	-
Total	19	14	16

Current Tax provision as % to PBT has increased from 10% to 12% due to higher foreign taxes. Deferred tax provision has been made this quarter due to difference in the rate of depreciation between books and income tax in case of new development centre commissioned at Pune. There was no fringe benefit tax last year.

- **Profitability Ratios:**

Particulars	Q3FY06	Q2FY06	Q3FY05
	%	%	%
Operating Profit Margin	18	12	26
EBITDA / Total Revenue	19	17	31
PBT / Total Revenue	12	11	25
PAT / Total Revenue	7	7	19

Operating Profit Margins have increased by 6% points compared to Q2 FY06. This is due to:

- A growth in revenues
- Depreciation of the Rupee by 4%
- Improvement in manpower utilization %

The decline in operating margin compared to Q3FY05 by 8% points is caused by:

- Lower manpower utilization %
- Increase in manpower cost
- Investment in corporate backbone
- Strengthening Sales and Marketing
- TekSoft consolidation
- Engineering Services growing but margins lower than PLM services

- **Key operating parameters:**

Particulars	Q3FY06	Q2FY06	Q3FY05
Days Sales Outstanding (DSO)	74	70	73
Number of Clients Added	6	5	3
Top 10 customers % to Revenue	72%	74%	76%

Quarterly Performance for 3D PLM:

- At the end of quarter 3D PLM has over 425 software developers. The growth is in line with our expectations.

Quarterly Performance for Teksoft:

- Compared to the previous quarter, Teksoft revenue showed a healthy growth. Teksoft profitability has also improved. For the first time in its history Teksoft crossed US$ 1 million mark in its CamWorks and ProCAM product revenues. As a result of this volume growth, Teksoft's profitability also increased. Teksoft became a distributor of Geometric's Desktop Software Products. With its US presence and extensive marketing network, Teksoft has contributed to the growth of these Desktop Software Products.

Note on Pune Properties:

- The oldest building in Pune is fully occupied by one of our key customers under a leave and license agreement. The customer will in due course move to an adjacent property, custom built to its specification. As and when the customer moves out, the Company will be faced with a significant increase in fixed costs in that quarter. Another factor is the Company believes its activities are too concentrated in Pune and hence needs to expand its operations in a more balanced manner. Moreover the Company is actively seeking acquisitions in the Engineering Services space. Keeping this in mind and the need to minimize dilution in the event of an acquisition, the Company has decided to sell the premises through an auction. It may lease back a fraction of the space to take care of future expansion needs. The Company will appoint a reputed firm to handle the transaction.

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AUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST DECEMBER, 2005 (UNCONSOLIDATED)

(Rs. in Million)

Sr. No.	Particulars	**Quarter Ended 31-12-2005**	Quarter Ended 31-12-2004	**Nine Months Ended 31-12-2005**	Nine Months Ended 31-12-2004	Year Ended 31-3-2005
1.	Net Sales - Software and Services	**317.54**	254.09	**828.49**	673.43	954.45
2.	Other Income:					
	(a) Gain/ (Loss) on Exchange Fluctations (Net)	**(38.14)**	(7.35)	**(13.84)**	1.29	8.63
	(b) Others	**39.06**	23.81	**107.66**	71.27	99.61
3.	Total Income	**318.46**	270.55	**922.31**	745.99	1,062.69
4.	Expenditure:					
	(a) Personnel Expenses	**160.46**	118.60	**468.05**	343.61	478.24
	(b) Travelling Expenses	**28.37**	14.24	**64.48**	42.48	63.39
	(c) Other Expenses	**71.86**	39.44	**198.62**	121.04	186.61
	(d) Total Expenditure	**260.69**	172.28	**731.15**	507.13	728.24
5.	Profit before Interest, Depreciation and Taxes	**57.77**	98.27	**191.16**	238.86	334.45
6.	Interest	**-**	-	**-**	0.03	0.03
7.	Depreciation	**27.22**	17.18	**70.18**	48.37	68.10
8.	**Profit before Taxes**	**30.55**	81.09	**120.98**	190.46	266.32
9.	Provision for Taxation:					
	(a) Current Taxes	**3.02**	11.41	**20.94**	34.54	52.70
	(b) Deferred Taxes	**2.62**	4.00	**2.62**	4.78	6.28
	(c) Fringe Benefit Tax	**1.46**	-	**3.88**	-	-
	(d) Prior Year's Tax Adjustments	**-**	-	**-**	-	0.65
10.	**Net Profit after Taxes**	**23.45**	65.68	**93.54**	151.14	206.69
11.	Paid-up Equity Share Capital	**112.90**	111.01	**112.90**	111.01	111.55
12.	Reserves and Surplus	**1,063.10**	938.49	**1,063.10**	938.49	951.39
13.	Basic Earnings per Share (Rs.) *	**0.42**	1.19	**1.67**	2.74	3.74
14.	Diluted Earnings per Share (Rs.) *	**0.41**	1.18	**1.64**	2.71	3.70
15.	Aggregate of non-promoter shareholding					
	- Number of Shares *	**39,122,850**	38,088,510	**39,122,850**	38,088,510	38,386,870
	- Percentage of shareholding	**69.31**	68.62	**69.31**	68.62	68.83

* Previous Year's figures have been adjusted for the sub-division of Equity Shares of Rs. 10 each into five Equity Shares of Rs. 2 each.

AUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST DECEMBER, 2005 (CONSOLIDATED)

(Rs. in Million)

Sr. No.	Particulars	**Quarter Ended 31-12-2005**	Quarter Ended 31-12-2004	**Nine Months Ended 31-12-2005**	Nine Months Ended 31-12-2004	Year Ended 31-3-2005
1.	Net Sales - Software and Services	**599.03**	434.92	**1,595.23**	1,182.87	1,681.89
2.	Other Income:					
	(a) Gain/ (Loss) on Exchange Fluctations (Net)	**(52.77)**	(14.24)	**(6.28)**	(3.81)	12.98
	(b) Others	**12.46**	8.84	**35.23**	28.77	38.13
3.	Total Income	**558.72**	429.52	**1,624.18**	1,207.83	1,733.00
4.	Expenditure:					
	(a) Personnel Expenses	**314.12**	227.51	**911.11**	654.14	922.52
	(b) Travelling Expenses	**35.03**	18.13	**83.41**	56.75	80.40
	(c) Other Expenses	**98.82**	45.83	**268.75**	136.38	212.84
	(d) Total Expenditure	**447.97**	291.47	**1,263.27**	847.27	1,215.76
5.	Profit before Interest, Depreciation and Taxes	**110.75**	138.05	**360.91**	360.56	517.24
6.	Interest	**0.10**	-	**0.40**	0.03	0.03
7.	Depreciation	**45.50**	31.83	**122.93**	91.05	127.73
8.	**Profit before Taxes**	**65.15**	106.22	**237.58**	269.48	389.48
9.	Provision for Taxation:					
	(a) Current Taxes	**7.90**	11.90	**32.98**	39.49	63.02
	(b) Deferred Taxes	**2.62**	4.75	**2.62**	6.23	7.42
	(c) Fringe Benefit Tax	**1.93**	-	**5.15**	-	-
	(d) Prior Year's Tax Adjustments	**-**	-	**-**	-	0.68
10.	Net Profit after Taxes before Minority Interest	**52.70**	89.57	**196.83**	223.76	318.36
11.	Less: Minority Interest in Net Profit of the Subsidiary Companies	**13.35**	10.02	**45.68**	29.94	43.60
12.	**Net Profit**	**39.35**	79.55	**151.15**	193.82	274.76
13.	Paid-up Equity Share Capital	**112.90**	111.01	**112.90**	111.01	111.55
14.	Reserves and Surplus	**1,251.03**	1,054.25	**1,251.03**	1,054.25	1,090.42
15.	Basic Earnings per Share (Rs.) *	**0.70**	1.44	**2.69**	3.51	4.97
16.	Diluted Earnings per Share (Rs.) *	**0.69**	1.43	**2.66**	3.48	4.92

* Previous Year's figures have been adjusted for the sub-division of Equity Shares of Rs. 10 each into five Equity Shares of Rs. 2 each.

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

Sr.No.	Company	% Holding
1.	Geometric Software Solutions, Inc., USA	100.00%
2.	Geometric Software Solutions Pte. Ltd., Singapore	100.00%
3.	Teksoft, Inc.,USA	80.09%
4.	3D PLM Software Solutions Ltd., India	70.00%

Audited Segment Financial Results (Consolidated)

(Rs. in Million)

	Particulars	**Quarter Ended 31-12-2005**	Quarter Ended 31-12-2004	**Nine Months Ended 31-12-2005**	Nine Months Ended 31-12-2004	Year Ended 31-3-2005
A	**Segment Revenue**					
	Products	**106.10**	38.85	**250.59**	99.79	175.64
	Projects	**492.93**	396.07	**1,344.64**	1,083.08	1,506.25
	Total	**599.03**	434.92	**1,595.23**	1,182.87	1,681.89
	Less : Inter Segment Revenue	**-**	-	**-**	-	-
	Net Sales/ Income from Operations	**599.03**	434.92	**1,595.23**	1,182.87	1,681.89
B	**Segment Results**					
	Profit before Interest and Taxes					
	Products	**62.82**	19.10	**122.09**	45.96	80.14
	Projects	**185.77**	183.09	**493.13**	484.33	674.68
	Total	**248.59**	202.19	**615.23**	530.29	754.83
	Less : (a) Interest	**0.10**	0.00	**0.40**	0.03	0.03
	(b) Other unallocable expenditure net of unallocable income	**183.34**	95.97	**377.25**	260.78	365.31
	Profit Before Taxes	**65.15**	106.22	**237.58**	269.48	389.48
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 20th January, 2006

2. Fixed assets and other assets used in 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. Pursuant to the exercise of vested stock options by employees and directors of the Company under various Stock Option Schemes, the Company allotted 173,415 Equity Shares of Rs.2 each during the quarter.

4. Information on investor complaints for the quarter ended 31st December, 2005:

	Opening Balance	Additions	Disposals	Closing Balance
Number of Complaints	Nil	11	11	Nil

5. Pursuant to the approval of shareholders of the Company at the Eleventh Annual General Meeting held on 24th June, 2005, the Company's Equity Shares of Rs. 10 each were sub-divided into 5 Equity Shares of Rs. 2 each, on 9th August, 2005.

6. Foreign Exchange Transactions:
Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities relating to foreign currency transactions, remaining unsettled at the year-end, are stated at the contracted rates when covered under forward exchange contracts, and at the year-end rates in other cases.
The Company enters into forward exchange contracts based on firm commitments or highly probable forecast revenues. Till 31st March, 2005, the Company used to amortize the premium on such forward exchange contracts over the period of the contract.
With effect from 1st April, 2005, the Company ascertains the fair value of the outstanding forward exchange contracts at the end of the period, and resultant gain or loss is recognized in the Profit and Loss Account.
As a result of this change in accounting policy, the Profit Before Taxes for the quarter is lower by Rs. 39.59 million, and for the nine months, is lower by Rs.44.17 million; the Consolidated Profit Before Taxes for the quarter is lower by Rs.59.55 million, and for the nine months, is lower by Rs. 63.52 million.

For Geometric Software Solutions Co. Ltd.

Mumbai
20th January, 2006

Manu Parpia
Managing Director

Geometric Software Solutions Co. Ltd (Including Teksoft)
Consolidated Income Statement in Recasted MIS format for the Quarter ended 31st December, 2005

PARTICULARS	Quarter II 2005-06	% to Total Quarter II Revenue	Quarter III 2005-06	% to Total Quarter III Revenue	Sequential Growth over previous Quarter	Quarter III 2004-05	% to Quarter III Revenue 2004-05	Q-O-Q Growth compared to Last Year
A	**B**	**C**	**D**	**E**	**F=(D-B)/B**	**G**	**H**	**I = (D-G)/G**
Projects- Offshore (US$ Millions)	6.95	60%	7.58	57%	9%	6.56	68%	15%
Projects- On site (US$ Millions)	3.03	26%	3.29	25%	9%	2.22	23%	48%
Products (US$ Millions)	1.68	14%	2.34	18%	39%	0.90	9%	160%
Total Revenue (US$ Millions)	**11.66**	**100%**	**13.20**	**100%**	**13%**	**9.68**	**100%**	**36%**
Sales - Software Packages & Services								
Offshore Projects	304.44	60%	338.00	56%	11%	283.17	65%	19%
Onsite Projects	130.82	26%	154.93	26%	18%	112.91	26%	37%
Products (Components & Technologies)	75.01	15%	106.10	18%	41%	38.84	9%	173%
Total Operating Revenue	**510.27**	**100%**	**599.03**	**100%**	**17%**	**434.92**	**100%**	38%
Foreign Exchange gain / (loss)	(13.81)		(52.77)		282%	(14.24)		271%
Other Revenue	6.83		7.36		8%	6.36		16%
TOTAL REVENUE	**503.29**	**100%**	**553.63**	**100%**	**10%**	**427.04**	**100%**	**30%**
EXPENSES								
SOFTWARE DEVELOPMENT EXPENSES								
Manpower Expenses	169.07	34%	168.21	30%	-1%	119.51	28%	41%
Staff Welfare	7.65	2%	6.02	1%	-21%	3.93	1%	53%
Foreign Travel exps	10.75	2%	15.55	3%	45%	3.69	1%	322%
Local travel & conveyance	6.13	1%	5.51	1%	-10%	2.73	1%	102%
Data Communication costs	0.90	0%	1.39	0%	54%	1.96	0%	-29%
Software Tools & Packages/ Royalties	17.05	3%	21.66	4%	27%	6.68	2%	224%
(b) On-site consultants cost	**92.99**	**18%**	**112.55**	**20%**	**21%**	**85.14**	**20%**	**32%**
% to on site consultant's revenue	71%		73%			75%		
Total Software Development Expenses	**304.54**	61%	**330.90**	60%	**9%**	**223.65**	**52%**	**48%**
% to Operating Revenue	60%		55%			51%		
Contribution	**205.73**	41%	**268.14**	48%	**30%**	**211.27**	**49%**	**27%**
% to Operating Revenue	40%		45%			49%		
SELLING & MARKETING EXPENSES	**29.20**	6%	**37.25**	7%	**28%**	**21.14**	**5%**	**76%**
% to Operating Revenue	6%		6%			5%		
GENERAL & ADMINISTRATION EXPENSES								
Central Services, Corporate & VPs offices	30.75	6%	34.70	6%	13%	22.79	5%	52%
Tel, Fax & Courier	3.48	1%	3.74	1%	8%	2.06	0%	82%
Rent	10.14	2%	11.51	2%	14%	4.71	1%	145%
Power, Fuel & Electricity	10.23	2%	5.93	1%	-42%	4.08	1%	45%
Recruitment costs	0.83	0%	2.03	0%	146%	2.39	1%	-15%
Training	3.20	1%	3.51	1%	10%	0.90	0%	290%
Miscellaneous Expenses	15.31	3%	22.12	4%	44%	14.50	3%	53%
Provision for doubtful debts	7.66	2%	(2.68)	0%	-135%	(3.04)	-1%	-12%
Total General & Administration Expenses	**81.61**	**16%**	**80.86**	**15%**	**-1%**	**48.38**	**11%**	**67%**
% to Operating Revenue	16%		13%			11%		
Total Expenses	**415.36**	**83%**	**449.00**	**81%**	**8%**	**293.17**	**69%**	**53%**
% to Operating Revenue	81%		75%			67%		
PBIDT	**87.93**	**17%**	**104.63**	**19%**	**19%**	**133.87**	**31%**	**-22%**
% to Total Revenue	17%		19%			31%		
Interest								
Depreciation (Non Computer)	4.87	1%	7.50	1%	54%	7.06	2%	6%
Depreciation (Computers)	28.25	6%	30.27	5%	7%	20.59	5%	47%
Lease Rentals Computers			1.71					
Depreciation	**33.12**	**7%**	**39.48**	**7%**	**19%**	**27.64**	**6%**	**43%**
Profit Before Tax	**54.82**	**11%**	**65.15**	**12%**	**19%**	**106.22**	**25%**	**-39%**
% to Total Revenue	11%		12%			25%		
Operating Profit (PBT Less Other Income)	**61.80**	**12%**	**110.56**	**20%**	**79%**	**114.10**	**27%**	**-3%**
% to Operating Revenue	12%		18%			26%		
Tax	5.69	1%	10.52	2%	85%	16.65	0.04	-37%
Fringe Benefit Tax	2.14		1.93					
Minority Interest	13.14	3%	13.35	2%	2%	10.02	0.02	33%
Profit After Tax & Minority Interest	**33.85**	**7%**	**39.35**	**7%**	**16%**	**79.56**	**19%**	**-51%**
% to Total Revenue	7%		7%			19%		

Note: Impact of premises leased to SDRC is excluded from Other Income and Depreciation (Non Computer) amounting to Rs.5.10 Million for Qtr 3 FY06 (Rs.2.48 Million for Qtr 3 FY05, Rs. 5.10 Million for Qtr 2 FY06) for calculation of Operating Profit. PBT remains unaffected . To this extent other income and depreciation in the quarterly advertisement will be higher.

Geometric Software Solutions Co. Ltd.
Consolidated Income Statement in MIS format for the Nine months ended 31st December, 2005

PARTICULARS	Nine months Ended 31-12-2005	% to Total Revenue	Nine months Ended 31-12-2004	% to Total Revenue	Growth compared to previous year 9 months
A	**B**	**C**	**D**	**E**	**F = (B-D)/D**
Projects- Offshore (US$ Millions)	21.14	59%	17.64	67%	20%
Projects- On site (US$ Millions)	9.25	26%	6.34	24%	46%
Products (US$ Millions)	5.62	16%	2.22	8%	153%
Total Revenue (US$ Millions)	**36.01**	**100%**	**26.20**	**100%**	**37%**
Sales - Software Packages & Services					
Offshore Projects	928.99	58%	798.40	67%	16%
Onsite Projects	415.87	26%	284.67	24%	46%
Products (Components & Technologies)	250.36	16%	99.79	8%	151%
Total Operating Revenue	**1,595.22**	**100%**	**1,182.86**	**100%**	**35%**
Foreign Exchange gain / (loss)	(6.28)		(3.81)		65%
Other Revenue	21.10		20.83		1%
TOTAL REVENUE	**1,610.04**	**100%**	**1,199.88**	**100%**	**34%**
EXPENSES					
SOFTWARE DEVELOPMENT EXPENSES					
Manpower Expenses	502.97	31%	355.08	30%	42%
Staff Welfare	18.54	1%	11.56	1%	60%
Foreign Travel exps	33.80	2%	19.39	2%	74%
Local travel & conveyance	16.15	1%	5.55	0%	191%
Data Communication costs	3.29	0%	4.51	0%	-27%
Software Tools & Packages/ Royalties	54.15	3%	17.45	1%	210%
(b) On-site consultants cost	**297.16**	**18%**	**214.53**	**18%**	**39%**
% to on site consultant's revenue	71%		75%		
Total Software Development Expenses	**926.05**	58%	**628.07**	**52%**	**47%**
% to Operating Revenue	58%		53%		
Contribution	**669.17**	42%	**554.79**	**46%**	**21%**
% to Operating Revenue	42%		47%		
SELLING & MARKETING EXPENSES	**97.60**	6%	**72.80**	**6%**	**34%**
% to Operating Revenue	6%		6%		
GENERAL & ADMINISTRATION EXPENSES					
Central Services, Corporate & VPs offices	95.81	6%	65.77	5%	46%
Tel, Fax & Courier	10.36	1%	6.58	1%	57%
Rent	33.05	2%	11.27	1%	193%
Power, Fuel & Electricity	24.90	2%	10.91	1%	128%
Recruitment costs	6.92	0%	5.12	0%	35%
Training	9.11	1%	4.15	0%	119%
Miscellaneous Expenses	59.83	4%	46.82	4%	28%
Provision for doubtful debts	5.60	0%	(0.31)	0%	-1924%
Total General & Administration Expenses	**245.57**	**15%**	**150.33**	**13%**	**63%**
% to Operating Revenue	15%		13%		
Total Expenses	**1,269.22**	**79%**	**851.21**	**71%**	**49%**
% to Operating Revenue	80%		72%		
PBIDT	**340.82**	**21%**	**348.68**	**29%**	**-2%**
% to Total Revenue	21%		29%		
Interest		0%	0.02	0%	-100%
Depreciation (Non Computer)	18.32	1%	18.15	2%	1%
Depreciation (Computers)	83.21	5%	61.02	5%	36%
Lease Rentals Computers	1.71	0%	-		
Depreciation	**103.24**	**6%**	**79.16**	**7%**	**30%**
Profit Before Tax	**237.58**	**15%**	**269.49**	**22%**	**-12%**
% to Total Revenue	15%		22%		
Operating Profit (PBT Less Other Income)	**222.76**	**14%**	**252.47**	**21%**	**-12%**
% to Operating Revenue	14%		21%		
Tax	35.60	2%	45.71	0.04	-22%
Fringe Benefit Tax	5.16		-		
Minority Interest	45.67	3%	29.94	0.02	53%
Profit After Tax & Minority Interest	**151.15**	**9%**	**193.83**	**16%**	**-22%**
% to Total Revenue	9%		16%		

Note: Impact of premises leased to SDRC is excluded from Other Income and Depreciation (Non Computer) amounting to Rs. 13.99 Million for Nine months ended 31.12.2005 (Rs. 7.94 Million for Nine months ended 31.12.2004) for calculation of Operating Profit. PBT remains unaffected . To this extent other income and depreciation in the quarterly advertisement will be higher.

GEOMETRIC SOFTWARE SOLUTIONS CO. LTD. (Consolidated)

Growth in Sales over Last Year
Figures in US$ Million

		FY 2005					FY 2006		
		Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**	**Q2**	**Q3**
Projects - Offshore		4.61	4.70	5.42	5.52	20.25	5.35	5.89	6.28
Fixed Price Projects		0.38	0.89	0.43	0.73	2.43	0.47	0.54	0.65
Projects - Onsite		1.78	2.34	2.22	2.89	9.23	2.94	3.03	3.29
Software (Products)		0.70	0.62	0.90	1.72	3.94	1.60	1.68	2.34
Domestic		0.26	0.24	0.71	0.57	1.78	0.80	0.52	0.65
Total		**7.73**	**8.79**	**9.68**	**11.43**	**37.62**	**11.15**	**11.66**	**13.20**

Prouct R & D Expenses (Consolidated)

(Rs Million)

	Particulars	Quarter Ended 31-12-2005	Quarter Ended 31-12-2004	Nine months ended 31-12-2005	Nine months ended 31-12-2004	Year Ended 31-3-2005
A	Product Revenue	106.10	38.85	250.59	99.79	175.64
B	Product Costs	43.28	19.75	128.50	53.83	95.49
C	Product Contribution	62.82	19.10	122.09	45.96	80.14
D	Total Revenue (Product + Project)	599.03	434.92	1,595.23	1,182.87	1,681.89
E	**Product Costs as % of Total Revenue (B / D)**	**7.2%**	**4.5%**	**8.1%**	**4.6%**	**5.7%**
	Product Contribution as % of Product Revenue	59.2%	49.2%	48.7%	46.1%	45.6%

Quarterly Trend in Revenues and Profitability

Growth Trends	F'05 Q1	F'05 Q2	F'05 Q3	F'05 Q4	F'06 Q1	F'06 Q2	F'06 Q3
QoQ Growth in Operating Revenue	13%	14%	9%	15%	-3%	5%	17%
QoQ Growth in Operating Profit	-14%	54%	38%	-16%	-48%	23%	79%
QoQ Growth in PBT	1%	24%	18%	13%	-2%	-53%	19%
QoQ Growth in PAT	-4%	24%	26%	2%	-4%	-57%	16%

Margin Trends	F'05 Q1	F'05 Q2	F'05 Q3	F'05 Q4	F'06 Q1	F'06 Q2	F'06 Q3
Operating Profit Margin	15%	20%	26%	19%	10%	12%	18%
PBT Margin	20%	22%	25%	23%	21%	11%	12%
PAT Margin	14%	15%	19%	15%	14%	7%	7%