



Growing
Leadership
through
Continuous
Innovation

Annual Report
2010-2011

GOING GREEN

At Gemini, we are building a Green Business, where we strive to have a positive impact on the environment and community. We are in the process of developing and practicing business strategies that go beyond regulation and demonstrate commitment to a healthy and sustainable future. We are building a green business by adopting principles, policies, and practices that improve the quality of life for our customers and employees.

The value of going green makes business sense. Natural resources are becoming more scarce and costly, while customers, employees and investors are increasingly environmentally-conscious.

The demand for environmentally-friendly products is high and rising. Going green can be cost-effective, too. Even at the most basic level, programs that reduce, reuse and recycle frequently lead to cost savings. More expansive efforts offer a tremendous opportunity to reduce basic costs and can give the company a competitive edge.

We understand and realise that Environmentally-conscious business practices help attract and retain the best employees by increasing employee satisfaction and pride in the workplace.

Community involvement is also an important cornerstone for us, and our proposed green practices would enhance our public image, community relations and good will.

And, finally, we are not just adopting green business practices, we have decided to focus on businesses that will help us go green. We are offering a whole host of Green IT services that help organisations conserve energy. We have forayed into providing Green Energy Solutions and Services and have chosen Solar Energy, one of the greenest forms of Energy, as a Platform for Energy Generation. We are also providing Energy Management solutions to help Electricity Boards manage and conserve energy better. With this initiative, we are pretty hopeful and confident of making a positive impact to the Society around us and also ensure that over time, a significant portion of our revenue is earned the “green” way.

All of this starts with a Green team & a Green business and we are building this to help realise our Green Dream.

Engines of Growth



Convergence - IT & Communication

4G Equipments



Telecom Services

Energy Solutions

Innovation

In everything we do

And

Leadership

in Market Through People

Hallmark of  **GEMINI**
Innovation & Leadership

Vision

To embrace and adopt niche technologies early in the game through a constant endeavor to identify and nurture innovative platforms, driven by Intrapreneurs and convert them into engines of growth.

Mission

To consistently maintain a high degree of desire & intensity in every sphere of business, with continued adherence to business ethics

To build individuals of exceptional character who would help build a strong company, leading to a stronger society.

To position ourselves as a Technology Infrastructure Enabler and sustain market leadership in every segment of business operation.

To be a pioneer in providing technologically advanced, pathbreaking solutions that positively impact organizations.

To deliver Value in every form and substance to our stakeholders and make a positive difference to everyone associated with us.

Corporate Information

BOARD OF DIRECTORS

Mr.R.Vijaykumar – Managing Director
Mr.R.Ramkumar – Chairman
Mr.B.Sreekrishna – Director
Mr.B.Srinivasan – Director
Mr.Eswaran Annamalai – Director
Mr.Hari Sethuraman – Director
Mr.L.Sathyanarayan – Director
Mr.V.K.Venugopal – Director

AUDITORS

M/s.P.Chandrasekar
Chartered Accountants
Flat G, Sarada Apartments
No.30, R.A.Puram, 1st Main Road
Chennai – 600 028.

BANKERS

Bank of India
Chennai Mid Corporate Branch
IV , Floor , Tarapore Towers, 826, Anna Salai
Chennai – 600 002.

State Bank of India
Industrial Finance Branch
155, Anna Salai
Chennai – 600 002.

REGISTRAR AND SHARE TRANSFER AGENTS

M/s.Integrated Enterprises India Limited
2nd Floor, “ Kences Towers”
1,Ramakrishna Street,
T.Nagar, Chennai – 600 017.

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Letter to Shareholders



Dear Shareholders,

Warm Greetings to all of you!

We reported record profits and earnings per share, showed outstanding growth momentum across all our businesses and reiterated our commitment to investments in emerging technology & related innovation. We continue to believe that Gemini is poised for taking advantage of market transitions in unique ways. Our record results are due in part to our successful implementation of our strategy, given our vision of how the communications and IT industry would evolve.

For the year, consolidated revenue reached Rs. 5506.6 million and profits touched a record of Rs. 637.7 million, an increase of 98% percent compared with the previous fiscal year. Earnings per share jumped 86% percent to Rs. 6.22. These outstanding results reflect the strong mix of product & services and a clear growth momentum across the entire company, and we achieved double-digit growth in every business segment. Our orders on hand stands at Rs. 375 Crs as on 31st March 2011.

Trip down Memory Lane

Looking at all that has been achieved in the last 16 years of business operations, it is hard to imagine the humble beginnings of Gemini. When we celebrated our 10 years of business operations in 2005, Gemini's annual revenues were Rs. 709.6 million, which is 13 percent of our annual revenues today. Today, we are a global company with a strong and diverse business portfolio and consolidated annual revenues of Rs. 5.5 billion. We are proud of our leadership position in almost every technology segment in which we compete. We employ approximately 2,700 of the best and brightest talent in the

world. We continue to grow our technological capabilities to meet new challenges and state-of-the-art applications.

Looking back at FY 2011

As I look back on FY 2011, there are three critical areas that lay the foundation for long-term growth and sustained future success:

1. Convergence - IT, Computing and Wireless
2. A product & services portfolio in Broadband Wireless Access that is stronger & proven than ever
3. Our foray in providing Energy solutions services

At Gemini, we firmly believe the impact of Convergence will be as big as the previous waves of technology change. The opportunities Convergence will create for our customers, our partners and our company will be immense.

FY 2011 was one of the strongest years in company history for the range and quality of the product advances that we delivered; we today have a complete certified range of products in Wimax, LTE and 4G. Our Telecom services portfolio has wide acceptance from a lot of leading telecom operators and equipment manufacturers and we are today India's leading Telecom Services company.

Our decision to adopt Renewable forms of Energy and Solar Energy, in particular, as a platform for diversification into grid and off-grid connected projects will pay us rich dividends in the coming year by bringing in consistency and predictability in our revenues and help increase our profitability.

From the last fiscal, we have added a "green" element to everything we do. Pollution, environment, green house gases, global warming and energy wastage, these are issues that we keep hearing about often. We have achieved distinction in a lot of areas, but we have grossly failed to secure our future or even plan for it by ignoring the signs Mother Nature has been throwing at us. We know how to build, use electricity, run huge machines and even go to space, but we fail to adopt small measures like turning off the lights when not in use or even throwing paper in the bins and have failed to respect nature.

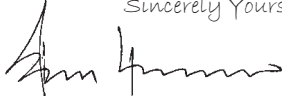
Going green is no longer just an option for us, it's a necessity. We realise and understand that it is extremely important to address energy conservation, recycling, renewable resources and waste-reduction. We have initiated efforts towards these and are

building a green team that will ensure building and implementation of a green policy across the company. Besides, we fully know that "Going Green" could be one of the largest economic opportunities of our lifetime and there is a clear focus on green businesses, including Green IT, Renewable forms of Energy and Energy Management.

Poised to grow

Along the way to meeting our targets for 2011, the profitability measures we implemented in 2011 will begin showing positive effects in FY 2012. On the growth side, we're confident that our subsidiary companies are strategically well-positioned for the future. We are in businesses that provide us the opportunity to be at the forefront of technological changes & revolution; cutting-edge innovation & thought leadership will allow us to keep one step ahead of our competitors; and an increasing ability to integrate our cross-Group offerings to meet our customers' needs for advanced and comprehensive solutions. We're thrilled and humbled to be a part of this process and we look forward to seeing the positive transformation in our company.

I am happy to communicate that your company is well-balanced in its business portfolio, will continue its growth momentum and we look forward to a successful, rewarding & exciting future.

Sincerely Yours


R. Ramkumar

Chairman

Gemini Communication Ltd

FY 11 at a Glance

FINANCIAL HIGHLIGHTS

CONSOLIDATED :

Revenues at Rs 550.66 Crs;

EBITDA at Rs 153.65 Crs;

PAT at Rs 64.17 Crs

EPS at Rs 6.22

STAND-ALONE :

Revenues at Rs 316.16 Crs

EBITDA at Rs 63.12 Crs

PAT at Rs 9.79 Crs

EPS at Rs 0.95

FY 11 at a Glance

BUSINESS HIGHLIGHTS :

System Integration Business –

1. Customers increased by 22% during the financial year
2. Investments in certain key technology areas like IT Security
 - Set up a 'Centre of Excellence' and providing advanced security audits for enterprises
 - Strategically positioned in the 'Technology Consulting' space and has won several IT & Security Consulting orders
3. Data Center segment has seen large growth in the last few quarters
 - Established 3 Data Centers for our banking customers and are well-placed to take further advantage of this booming business in FY 12.
4. Managed Services business, which helps remotely manage customers' IT assets, has been a key focus area for us and has helped us win new customers in FY 11.

Organizations are now focused on improving physical security, due to which, Camera Surveillance has become a necessity for many campuses. Our 17 year expertise on providing solutions on Internet Protocol (IP) enabled us to win large IP surveillance based projects for Government institutions.

PointRed Telecom –

1. Opened new manufacturing and assembly facility in Taiwan Free trade Zone
2. Two more products in the PointMAX Mobile WiMAX product portfolio received WiMAX Forum Certification taking the total tally to eight
3. Secured several contracts each worth more than \$1Mn for MicroRed products
4. Forayed into 4G space with PointLiTE range of LTE/LTE advanced Products and PointMAX 2 range of WiMAX products
5. Launches new range of All IP outdoor backhaul radios MicroRed ACE operating in 6-38 GHz frequency Range

Veeras Infotek –

1. Virtualization
 - Retained #1 position for VMWare in Chennai with 60% market share. Clearly established as a partner of choice in Chennai across server and storage
 - 200% growth in the storage business
 - #1 for NetApp in Chennai with 55% market share
 - #1 partner for Citrix in South India
 - Won large deals in the Desktop virtualization space
2. Platform
 - 35% growth in Microsoft business
 - 600% growth in Hardware (low base)
 - Microsoft Cloud accelerate Partner – Active BPOS Partner
3. Security
 - 35% growth in McAfee security business with over 50% market share
 - Also among the top 5 partners in the country for McAfee
 - Retained the #1 status for Symantec in Chennai with over 22% market share

Gemini Telecom Services Group –

1. Renewed service contracts with top 4 customers that will result in significant increase in business for FY12
2. Key contracts
 - 2-yr contract with leading equipment vendor to maintain active components of 4500 BTS in FY11-12 & 9000 BTS in FY12-13
 - In process of signing a major passive infrastructure contract with tower infrastructure companies by Q2 FY12

- Renewed contracts with an existing enterprise national data service provider, for installation and maintenance of WiMAX BTS, WiMAX CPE, point-to-point links across India
 - Renewed contracts with an existing retail national data service provider for installation and maintenance of wireless and WiFi links across 38 cities in India
3. Made inroads in Managed Services business in West Bengal, Karnataka & Orissa

Energy & Utilities business -

1. Foray into solar PV based energy generation with allotment of 16 MW projects in TamilNadu and Gujarat.
2. Focus on off-grid energy solutions
3. Completion of Pilot project for Intelligent water metering systems

TRAZE RFID

1. Focus on providing complete Identification & Tracking solutions
2. Completed project for the entrance examination of a leading educational institution for the purpose of Student Authentication using combination of RFID & Biometric technologies.
3. Deployment of RFID based file tracking solutions to manage over 300,000 files for a leading insurance provider.

HISTORICAL FINANCIALS

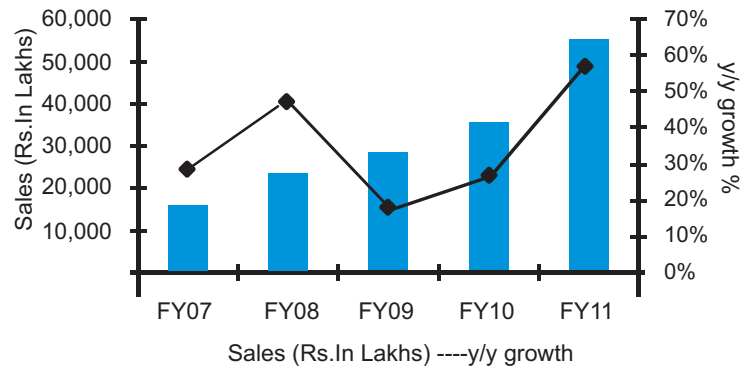
Consolidated

Particulars	FY07	FY08	FY09	FY10	FY11
INCOME STATEMENT :					
(Rs. in Lakh)					
Sales	16,102	23,612	27,920	34,946	55,066
Y/Y Growth	28%	47%	18%	25%	58%
(Increase) / Decrease in Stock in Trade & Work in Progress	(367)	(377)	(306)	(990)	(5,383)
Coat of Materials	12,185	16,260	19,736	22,747	41,379
% of Sales	73%	67%	70%	62%	65%
Employee Cost	630	1,003	1,436	2,247	3,073
% of Sales	4%	4%	5%	6%	6%
Other Expenditure	808	1,188	1,609	1,490	1,179
EBITDA	2,846	5,538	5,445	9,452	14,817
Margin %	18%	23%	20%	27%	27%
Y/Y Growth	66%	95%	-2%	74%	57%
Depreciation	353	1,153	2,421	9,452	3,736
EBIT	2,492	4,386	3,024	6,334	11,081
Margin %	15%	19%	11%	18%	20%
Y/Y Growth	66%	76%	-31%	109%	75%
Other Income	112	912	1,022	132	547
Interest & Financial Charges	519	1,692	2,523	2,482	4,113
PBT	2,086	3,606	1,522	3,984	7,516
Margin %	13.0%	15.3%	5.5%	11.4%	13.6%
Y/Y Growth	55%	73%	-58%	162%	89%
Less : Tax	277	858	505	721	1,099
Tax Rate %	13.3%	23.8%	33.2%	18.1%	14.6%
PAT	1,808	2,748	1,017	3,263	6,417
Margin %	11.2%	11.6%	3.6%	9.3%	11.7%
Y/Y Growth	54%	52%	-63%	221%	97%
Less: Provision for Minority Interest	0	0	13	36	39
Net Profit Attributable to Equity (basic)	1,808	2,748	1,004	3,226	6,378
EPS (Basic)	10.31	14.14	1.05	3.34	6.22
Y/Y Growth	-62%	37%	-93%	218%	86%
Basic Shares	438	972	972	1,001	1,069

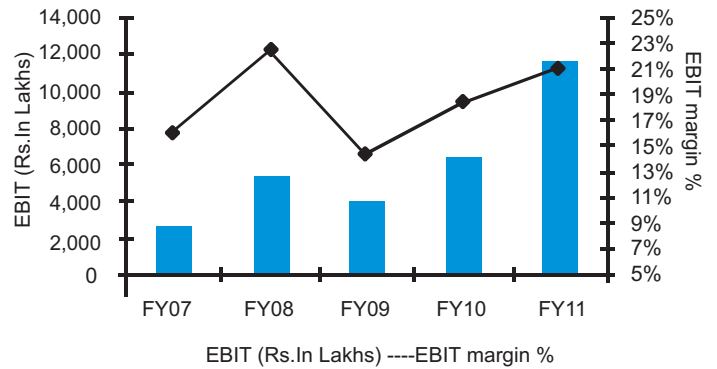
Last 5 Years

GCL CONSOLIDATED

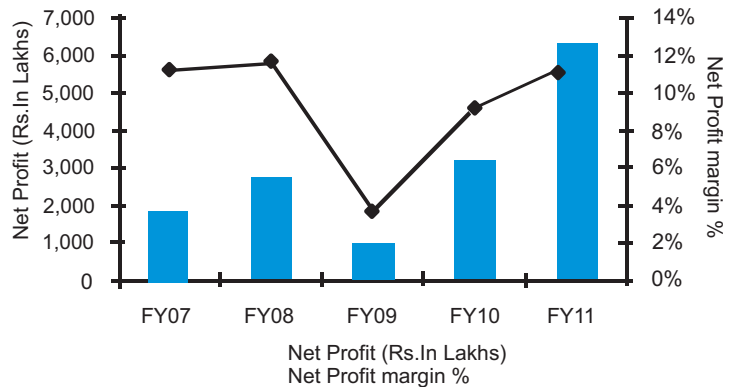
	FY07	FY08	FY09	FY010	FY011
Sales (Rs. in Lakhs)	16,102	23,612	27,920	34,946	55,066
y/y growth	28%	47%	18%	25%	58%



	FY07	FY08	FY09	FY010	FY011
EBIT (Rs. in Lakhs)	2,605	5,298	4,046	6,466	11,629
EBIT margin %	16%	22%	14%	19%	21%



	FY07	FY08	FY09	FY010	FY011
Net Profit (Rs. in Lakhs)	1,808	2,748	1,004	3,226	6,378
Net Profit margin %	11%	12%	4%	9%	12%



Milestones

Incorporated



1995

Gemini's entry into Telecom space starts building last mile solutions for ISP's

1999



Gemini becomes a Rs. 100 crore company

RFID business in place



2002

Gemini acquires PointRed Telecom



2006

Secures Large technology infrastructure government orders - TNEB and Punjab E-Gov

2007



Acquires Veeras Infotek



2008

Acquires Rosy Blue Wireless, Africa



2010

2009

Secures India's first mobile WIMAX implementation order



Setting up of Energy Solutions Business



2011

2010

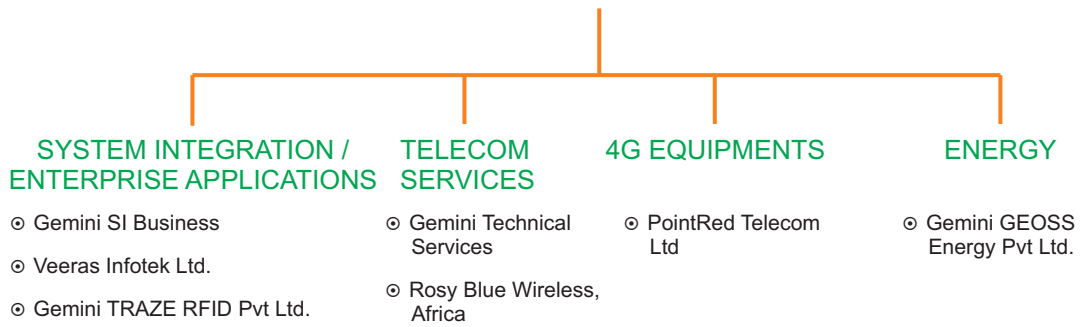
BSNL order for largest Mobile WIMAX network in the world



Business Portfolio

GEMINI GROUP

(TECHNOLOGY INFRASTRUCTURE ENABLERS)



(ACCELERATING TECHNOLOGY SOLUTIONS - FROM EARLY ADOPTION TO MARKET LEADERSHIP)

MANAGEMENT TEAM

A spirited, closely-knit team with a strong foundation



DIRECTOR'S PROFILE

Mr. R. VijayKumar

Group Chairman

As a co-founder of Gemini Communication, Mr. VijayKumar conceived Gemini as an organization which is deeply committed to values, in the firm belief that success in business would be its inevitable, eventual outcome. Apart from chairing the board of directors he is responsible for managing the company, formulating and executing long-term strategies, and for all interactions with clients, employees, investors and other stakeholders. He is responsible for group development covering acquisitions, divestments and joint venture operations. He is one of the principal policymaker, setting the tone for the company's values, ethics and culture. He played a major role in "Gemini" opening its first overseas branch in United states of America. He is a market trend-setter and investors pose immense faith on him. He personifies GCL's commitment to delivering the highest quality services to its clients around the world.

Vijay Kumar is firmly committed to the belief that business organizations have deep social responsibility. And that this must be discharged by conducting ethical and fair business, by involvement with community issues and by building an ecologically sustainable business. Gemini Communication is deeply involved in "Corporate Social Responsibility initiatives" and is committed to a journey which weaves ecological sensitivity in every aspect of its business and organization. He holds a degree from Madras University in the discipline of Mathematics.

Mr. R. RamKumar

Chairman

Mr. R. RamKumar, a first generation entrepreneur, started his career with manufacturing of computer monitors under the brand name of Gemini, which finally got merged with Gemini Communication Ltd., to become a listed entity. As a co-founder of Gemini Communication, he jointly carries the overall responsibility for the strategy and operations of Gemini's Business initiatives, and has a deep understanding of Gemini's core business areas. As one of his main objectives, he has been creating growth areas for Gemini and its group companies in areas of RFID, Wireless, Storage and Remote Services. He has incubated 2 other product design companies as subsidiaries of Gemini and serves as the Director of PointRed Telecom Pvt. Ltd. and as Director of Gemini TRAZE RFID Pvt. Ltd. He is closely associated with Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry. He also serves in various boards of Universities and Educational Institutes. He spends significant time in the service for society and takes time-off for his spiritual pursuits. He holds a bachelor's degree in Computer Science with a Post Graduate degree in Marketing.

B. Sree Krishna

Managing Director

B. Sree Krishna, a Software Engineer is one of the chief architects and driving force behind Gemini's overall operations. His initial assignment was in United States representing Gemini. Sree Krishna has over 13 years of IT industry experience. He synergizes the right blend of technical management skills to provide requisite direction to the various accounts and teams that he manages. He is based out of New Delhi and identifies innovative strategies to place Gemini in the IT Map. He focuses on the development, satisfaction and expansion of client relationships. His functions include strategy building, overseeing successful implementation for strategic mergers and acquisitions, building long-term partnerships for Gemini's subsidiary companies. Sree Krishna's expertise in furthering and complimenting the strategic vision of our Technology Service Division is much adorable. He is a seasoned campaigner in handling Government business. His sound knowledge about international business helped Gemini in acquiring PointRed Telecom, a US based company. His role was stupendous in placing Gemini in the WiMax Space. He is a BE (Computer Science) from Pune University and an Executive Masters in International Business from Indian Institute of Foreign Trade, New Delhi.

Mr. B. Srinivasan

Executive Director

Mr. B. Srinivasan, started his career in 1992 with Datacom products in network verticals. Having been in the IT industry for more than 15+ years, he has served in different profiles spread across major cities in India. Having understood the potential of Gemini, Srinivasan associated himself with Gemini since its nascent stage as a customer support engineer and built his career with Gemini traveling through the echelon and with his appointment as Chief Executive Officer (CEO) reached the Acme of heights. He attributes his achievement to his integrity, capability and sheer hard work. He is Gemini's torchbearer for development of technology and deployment of countrywide MMDS & WiMAX networks for major telecom service providers like BSNL, VSNL, etc. He brings in extensive knowledge in WiMAX domain. His crisis handling techniques coupled with business acumen are way beyond leading to win-win for all concerned. As a technologist he has been gravitating more towards technical solutions throughout his career with grass root level approaches.

SENIOR MANAGEMENT'S PROFILE

Mr. Balaji Kulothungan

CEO, PointRed Telecom

An engineer by profession, Balaji has contributed significantly for the growth of wireless technology in India. With more than a decade of experience in wireless domain, he has earned quite a lot of accolades from the telecom operators. Balaji was instrumental in PointRed's acquisition. Post-acquisition of PointRed by Gemini, Balaji joined PointRed in June 2006 and put the company into the 4G space. Since then PointRed has been steadily growing in revenues and also matured into a very strong Global telecom equipment manufacturer. PointRed is the largest 4G (WiMAX) equipment supplier in the world. He is the driving force for Pointred to become a Billion dollar company when the company enters the era of Gigabit WiMAX and long Term Evolution (LTE).

Mr. Sudarsan Ranganathan

CEO-Veeras Infotek

Mr. Sudarsan is the Founder and Managing Director of Veeras Infotek Private Limited, a Systems Integration Company, focusing on Business Applications, Infrastructure Integration, Information Integrity and Retail Business. He was the Former President & Director of Business Development of Buzznet India private limited, an enterprise integration services company headquartered at Chennai with offices in Malaysia, Singapore and Santa Clara in the U.S. Sudarsan is an accomplished communicator, motivator, strategist, visionary with excellent leadership skills, superb analytical and understanding capabilities, technical knowledge of the IT industry, a penchant for success and understanding of "businesses". He holds a degree in Mathematics and Post Graduate Diploma in Business Management (XLRI) / Post graduate Diploma in Computer Applications.

Mr. Pradhyumna T. Venkat

CEO, Energy & Utilities Business

Mr. Pradhyumna T. Venkat is responsible for Gemini's foray in Energy Generation & Management business and is currently focussing on renewable forms of energy. Under his leadership, Gemini has initiated Energy Generation projects (grid-connected and off-grid) using Solar PV form of energy and is exploring other forms of clean & green energy. Pradhyumna focusses on adopting widespread use of technology & automation in the Energy & Utilities sector for better management, operational efficiency & optimal utilisation of the vital energy resources – Power, Water & Piped Natural Gas. Pradhyumna completed his Bachelors Degree in Mechanical Engineering from Madras University, India prior to his obtaining the Masters in Business Administration degree from Cardiff University, Wales, UK. He is with Gemini group since April 2003 and has been driving Gemini's related diversification in RFID product manufacturing, Enterprise Applications and Energy & Utilities sector. Mr. Pradhyumna started the RFID business and grew the company to be the first in India to manufacture RFID products and a leading RFID solution provider in India. Pradhyumna's key attributes for success are his "never-say-die" attitude, continuous learning and a strong vision for the business he drives. Over the years, Pradhyumna has developed skills in starting new & diversified businesses from scratch and putting them on a growth path.

Mr. M. Raju

CEO, Telecom Services Group

Mr. M. Raju has a rich 15+ years of experience in the Indian IT & Telecom industry. He heads the Telecom Services to develop overall goals and strategy, with sole intent to increase the company's profitability. He has been instrumental in building and leading TSG business with higher revenue and profitability. He had earlier held senior level position in the areas of Wireless, Network Security, Network Storage and Enterprise Management solution. He has expertise in system analysis, strategic planning and processes, business development and project management. He had made significant contribution in building new business units for Gemini, in most of his past assignments.

Mr. J. Karthikeyan

CMO, GCL Group

Mr. J. Karthikeyan, a Cisco certified, Intel Certified, hardcore sales veteran, and current CMO of Gemini Group of companies, is one of the architects of Gemini. He started his career as early as 1993 in the area of networking. He joined as Sr. Marketing Executive in Gemini and rose to the position of Head-Business Operations looking after business development in govt/PSU vertical across India and total business operations of Chennai region leading more than 100 ardent soldiers. He has grown with Gemini and is responsible for total business operations of the group. 17 years of experience has moulded him as a good strategist and an excellent leader by example. He has reached many milestones in sales. He is responsible for Gemini getting HP business partnership, IBM business Partnership, Tyco Business partnership and other channel partnerships with reputed firms. His dedication, hard work and business intelligence promoted him to be the CMO of Gemini Group of companies.

Mr. A. Krishnakumar

CEO, GCL SI

Mr. Krishnakumar is a versatile multi-talented man. Krishnakumar affectionately called as KK started his marketing career with Media and has served various domains such as air-conditioning and finance to name some. Since his involvement with Gemini from 1998, he has been a catalyst in expanding the company's technical and sales ability. He was the principal architect in Gemini spreading its wings in Madurai, Trichy, Cochin, Calicut and Trivandrum. He brings in with him wide array of experience of more than 20 years in the marketing arena and very often comes out with matured business strategies. His timed strategies were well out of the box in moving Gemini up the ladder. He is responsible for driving marketing strategies and plans for selected channels. He has been the mainstay for Gemini's all round growth. KK is a graduate in Mathematics.

Mrs. Lavanya Varadarajan

Head-Corporate Communication

Mrs. Lavanya is an expert Communicator with professional exposure in MNCs for nearly a decade covering deliverables both in India and in US. Her proficiency includes management of internal systems and processes enabling timely and accurate flow of various reports for internal and external consumption. She effectively manages creation, implementation and oversee various communications initiatives for media, Finance Institutions, International agencies pitching for expansion in their respective countries and other external agencies.

STATUTORY-BOUND BY ETHICS



Notice for the 16th Annual General Meeting

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held at 12: 15 p.m. on Friday, the 9th September 2011, at "The Auditorium", Russian Center of Science & Culture, No.74, Kasturi Ranga Road, Alwarpet, Chennai – 600 018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date and the Report of Directors' and Auditors' thereon;
2. To declare dividend @ 10% for the Financial Year 2010-11;
3. To elect a Director in the place of Mr.Eswaran Annamalai who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in the place of Mr.V.K.Venugopal who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration. M/s. P.Chandrasekar, Chartered Accountants, Chennai, the retiring auditors of the Company, are eligible for re-appointment.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT in accordance with Article 46(1) of the Articles of Association of the Company and the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956, the SEBI (Buy-Back of Securities) Regulations, 1998, and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which the Board of Directors of the Company (including any Committee thereof) is authorized to accept, the consent of the members be

and is hereby accorded for the purchase by the Company of its fully paid-up Equity Shares each of face value of Re.1 to the extent not exceeding 25% of the Company's paid-up Equity Share Capital at such price not exceeding Rs. 45/- per equity share as may be determined by the Board from the open market through the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and the aggregate amount to be expended by the Company for the Buy-back shall not exceed Rs. 29,76,49,000/- which is within 25% of the Company's fully paid-up Equity Share Capital and Free Reserves as per the Audited Balance Sheet as on March 31, 2011."

"FURTHER RESOLVED THAT the Board of directors of the Company (hereinafter referred to as "The Board", which term shall include any Committee which the Board of Directors of the Company may have constituted or may hereafter constitute) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, proper, to be in the best interest of the shareholders for the implementation of the Buy-back, carry out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including announcement, Declaration of Solvency, extinguishment of Share Certificates and 'Certificates of Extinguishment' required to be filed in connection with the Buy-back on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buy-back to the Securities and Exchange Board of India, Reserve Bank of India, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Madras Stock Exchange Limited, Registrar of Companies, Depositories and/or other authorities."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things which may be necessary, usual, expedient and proper to give effect to this resolution without being required to seek any further consent or approval of members."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions if any, of the Companies Act, 1956, the following sub-clause 55 be and is hereby inserted after the existing sub-clause 54 of Clause III (B) of the Memorandum of Association of the company:

55.To provide security including hypothecation of Receivables and moneys lying in Escrow Account and pledge of shares of any other Company including subsidiary company held by the company to secure repayment, redemption and discharge of the outstanding together with interest, costs and other charges under the credit facilities availed/that may be availed by any other Company including subsidiary company.”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

“RESOLVED THAT subject to the provisions of Section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, Mr.R.Ramkumar be and is hereby re-appointed as Whole-time Director of the Company for a period of five years commencing from 1st April 2011 to 31st March 2016 and shall act as Chairman of the Company till 31st August 2011 on the following terms and conditions of remuneration.”

Remuneration Details

Based on the recommendation of the Remuneration Committee, the following are the terms and conditions of Salary and Perquisites of Mr.R.Ramkumar.

Salary not exceeding Rs. 24.00 lakhs per annum or Rs.2,00,000/- per month including Dearness and other Allowances, subject to TDS and other deductions.

Perquisites

Perquisites will be allowed to Mr.R.Ramkumar in addition to the Salary, restricted to an amount equal to his Annual Salary of Rs.24.00 lakhs. For this purpose, Perquisites are classified into three categories as follows:

Category A

Housing I: The expenditure by the Company for hiring furnished accommodation for Mr.R.Ramkumar will be subject to the following ceiling: 25% of the Salary over and above 10% payable by Mr.R.Ramkumar.

Housing II: In case the accommodation is owned by the Company, 10% of the salary of Mr.R.Ramkumar shall be deducted by the Company.

Housing III: In case no accommodation is provided by the Company, Mr.R.Ramkumar shall be entitled to House Rent Allowance subject to the following ceiling laid down in Housing I:

- The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax rules, 1962 as amended up to date. This shall however be subject to a ceiling of Ten Percent of the salary of Mr.R.Ramkumar.
- Medical Reimbursement: expenses incurred for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.
- Leave Travel Concession: For self and his family once a year incurred in accordance with rules specific by the Company.
- Club Fees: Fees of Club subject to a maximum of Two Clubs. However admission and life membership fee will not be allowed.
- Personal Accident Insurance: Premium not to exceed Rs.3,000/-

Explanation: For the purpose of Category A, ' Family' means the spouse, the dependent children and dependent parents of Mr.R.Ramkumar

Category B

Company's Contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisite to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

Gratuity Payable in accordance with the rules of the Company, not exceeding half-month's salary for each completed year of service.

Encashment of Leave at the end of tenure payable in accordance with the rules of the company. This will not be included in the computation of the ceiling on perquisites.

Category C

The Company shall provide a car with driver and telephone at the residence of Mr.R.Ramkumar. personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

Commission

Remuneration by way of commission shall be

payable based on the net profits of the Company in a particular year, subject to the overall ceiling limits laid down in Section 198 and 309 of the Companies Act, 1956.

Where in any financial year during the currency of tenure of Mr.R.Ramkumar, the Company has no profits or inadequate profits, it may pay him remuneration within the ceiling provided in Section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT Mr.R.Ramkumar shall act as Executive Director of the Company with effect from 1st September 2011 on the above terms of remuneration.

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

RESOLVED THAT subject to the provisions of Section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, Mr.R.Vijaykumar be and is hereby appointed as Managing Director of the Company for a period of five years commencing from 1st April 2011 to 31st March 2016 on the following terms and conditions of remuneration.

Remuneration Details

Based on the recommendation of the Remuneration Committee, the following are the terms and conditions of Salary and Perquisites of Mr.R.Vijaykumar.

Salary not exceeding Rs. 24.00 lakhs per annum or Rs.2,00,000/- per month including Dearness and other Allowances, subject to TDS and other deductions.

Perquisites

Perquisites will be allowed to Mr.R.Vijaykumar, in addition to the Salary, restricted to an amount equal to his Annual Salary of Rs.24.00 lakhs. For this purpose, Perquisites are classified into three categories as follows:

Category A

Housing I: The expenditure by the Company for hiring furnished accommodation for Mr.R.Vijaykumar will be subject to the following ceiling: 25% of the Salary over and above 10% payable by Mr.R.Vijaykumar.

Housing II: In case the accommodation is owned by

the Company, 10% of his salary shall be deducted by the Company.

Housing III: In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance subject to the following ceiling laid down in Housing I:

- The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax rules, 1962 as amended up to date. This shall however be subject to a ceiling of Ten Percent of his salary.
- Medical Reimbursement: expenses incurred for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.
- Leave Travel Concession: For self and his family once a year incurred in accordance with rules specific by the Company.
- Club Fees: Fees of Club subject to a maximum of Two Clubs. However admission and life membership fee will not be allowed.
- Personal Accident Insurance: Premium not to exceed Rs.3,000/-

Explanation: For the purpose of Category A, 'Family' means the spouse, the dependent children and dependent parents of Mr.R. Vijaykumar.

Category B

Company's Contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisite to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

Gratuity Payable in accordance with the rules of the Company, not exceeding half-month's salary for each completed year of service.

Encashment of Leave at the end of tenure payable in accordance with the rules of the company. This will not be included in the computation of the ceiling on perquisites.

Category C

The Company shall provide a car with driver and telephone at the residence of Mr.R.Vijaykumar. personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

Commission

Remuneration by way of commission shall be payable based on the net profits of the Company in a

particular year, subject to the overall ceiling limits laid down in Section 198 and 309 of the Companies Act, 1956.

Where in any financial year during the currency his tenure, the Company has no profits or inadequate profits, it may pay him remuneration within the ceiling provided in Section II of Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT Mr.R.Vijaykumar, who is the Managing Director with effect from 1st April 2011 shall also act as the Chairman of the Company with effect from 1st September 2011 on the above terms of remuneration.

- 10 To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

RESOLVED THAT subject to the provisions of Section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, Mr.B.Sreekrishna whose period of office as Managing Director expired on 31st March 2011 be and is hereby appointed as a Whole time Director of the Company for a period of five years commencing from 1st April 2011 to 31st March 2016 without any remuneration.

- 11..To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

RESOLVED THAT subject to the provisions of Section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956, Mr.B.Srinivasan be and is hereby re-appointed as Whole-time Director of the Company for a period of five years commencing from 1st June 2011 to 31st May 2016 on a consolidated remuneration not exceeding Rs.10,80,000 per annum including allowances and perquisites but excluding contribution to Provident Fund and Gratuity.

For and on behalf of the Board
For GEMINI COMMUNICATION LTD

Place: Chennai
Date: 9th August 2011

R.Ramkumar
Chairman

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING THE PROXY, TO BE VALID, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.
2. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped and signed are liable to be considered invalid. Further, for identification purposes etc., it is advisable that the Proxy holder's signature may also be furnished in the Proxy Form.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all material facts in respect of item mentioned in Special Business of the notice is annexed thereto and forms part of the Notice.
4. The dividend, when declared at the annual general meeting will be paid to those members whose names appear in the Register of Members as at the opening hours of 9th September 2011 and the Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 5th September 2011 to Friday, the 9th September 2011, both days inclusive under Section 154 of the Companies Act, 1956 for the purpose of payment of dividend.
5. The dividend warrants will be posted by 15th September 2011. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited and Central Depository Services (India) Limited.
6. Members holding shares in physical form and who desire to have their Bank Account details incorporated in their Dividend Warrants may please furnish following details to the Company's Registrar & Share Transfer Agent, M/s. Integrated Enterprises India Limited, 2nd Floor, "Kences Towers", #1, Ramakrishna Street, T.Nagar, Chennai – 600 017. (i) Share Folio No(s). (ii) Name and address of sole/ First Shareholder, (iii) 10-digit Bank Account Number (with prefix SB/CA RTGS Code) MICR Code etc, (iv) Name of the Bank and Branch, (v) Full address of the Branch with Pincode. In case of shareholders holding shares in dematerialized form all above details are to be sent to their respective Depository Participants. This will help to avoid fraudulent encashment of dividend warrants.
7. Members are requested to notify the change in their address, if any, immediately and not later than 5th September 2011 so that the dividend warrants can be sent to the latest address. In case of shareholders holding shares in physical form, all intimations are to be sent to the Registrars and Share Transfer Agents of the Company.
8. Non-resident Indian shareholders are requested to inform about the following to the company or its Share Transfer Agents or the concerned Depository Participant, as the case may be, immediately of:-
 - a) The change in the residential status on return to India for permanent settlement.
 - b) The particulars of the NRE Account, if not furnished earlier.
9. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the company or Company's Share Transfer Agents the details of such folios together with the share certificates for consolidating their holding in one folio.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company/Registrars and Transfer Agents.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

12. Members are requested to bring their copies of the Annual Report to the meeting. Members are also requested to bring the attendance slip filled in and hand over the same at the entrance of the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client I.D and D.P.I.D numbers for easy identification of attendance at the meeting.

13. Members are requested to encash or claim the dividends for the years 2003-04 and subsequent years if not already realized since it will be transferred to the Investor Education and Protection Fund of the Central Government within seven years and no claims could be made thereafter either to the Company or the Fund. The Company has transferred the unclaimed dividends pertaining to all the financial years up to 2002-03 to the Fund.

As required under Clause 49 of the Listing Agreement, the brief particulars of the Directors seeking appointment/ re-appointment along with the details of Companies in which they are directors and the Board Committees of which they are members are furnished below:

ITEM NO. 3:

Re-Appointment of Mr.V.K.Venugopal as Director

Mr.V.K.Venugopal is an Engineering Graduate and he is an ex member of Madras Stock Exchange Limited. He has vast knowledge of financial market. He was appointed as an Additional Director on May 3, 2010. He is not a director or members of any other Public Limited Company.

None of the Directors except Mr.V.K.Venugopal is in anyway interested or concerned in the above resolution.

ITEM NO. 4:

Re-Appointment of Mr.Eswaran Annamalai, as Director

Mr.Easwaran Annamalai is a Post Graduate from USA and has a total working experience of around 20 years in the field of Finance and Information Technology. He became a Director of Gemini Communication Ltd in the year 2002 and since then he has been contributing significantly towards the growth of the organization. He is not a director or a member of any Committee in any other Public Limited Company.

None of the Directors except Mr.Easwaran Annamalai is in anyway interested or concerned in the above resolution.

ITEM NO. 8:

Re-Appointment of Mr.R.Ramkumar as Whole-time Director for five years

Mr.R.Ramkumar is one of the Founders of Gemini Communication Ltd. He is a B.E Computer Science

Professional and also has a Diploma in Business Management to his credit. He has vast expertise in Telecom and Networking Products in the IT industry. His strength also lies in negotiating with overseas vendors and sourcing projects for the Company and promotion of company's products. He has been instrumental in the Company's expansion plans and in establishing branches at various places across the country. He is a Director of Gemini Technical Services Limited a public limited closely held company and is not a director or Committee member in any other public limited company. He holds 5649940 equity shares in the Company.

ITEM NO. 9:

Appointment of Mr.R.Vijaykumar as Managing Director for five years

Mr.R.Vijaykumar aged 41 years is also one of the Founders of Gemini Communication Ltd. He graduated from Madras University in the discipline of Mathematics. He is the backbone of the entire financial activities of Gemini. He is a man with vision and is keen on putting the Company on the global map. He has made the Company to grow great heights ever since its incorporation and today the Company has many Indian and overseas subsidiaries and branches across the Globe. He is not a Director or member of any Committee in any other Public Limited Company and he holds 26966809 equity shares of the Company.

ITEM NO. 10:

Appointment of Mr.B.Sreekrishna as Whole-time Director for five years

Mr.B.Sreekrishna is a Graduate in Information Technology. He has worked in various capacities in field Software Development and has taken care of USA operations of the Company and also manages the Delhi branch activities and is the Managing Director of the wholly owned subsidiary namely, Pointred Telecom Limited. He is not drawing any remuneration from the holding company since he is drawing salary from Pointred Telecom Limited. He is not a director in any other Public limited company and he holds 1600000 equity shares in the Company.

ITEM NO. 11:

Re-Appointment of Mr.B.Srinivasan as Whole-time Director for five years

Mr.B.Srinivasan has been with Gemini since its inception and has a vast 13 years experience in datacom/networking industry. He has been responsible for development of Technology and in building a strong technical team to service the customers to their satisfaction. He handles large Wide Area/MMDS Wireless/ wireline networks and Telecom products across the country for various Prestigious customers. He is not a director in any other public limited company and he holds 110000 equity shares in the company.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 follows:

ITEM NO.6:

As required under Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 (the "Act") and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 ("Buy-back Regulations"), the following details are furnished to the members to enable them to take necessary decision for approval of resolution:

The Companies (Amendment) Act, 1999 allows a Company to buy-back its own shares subject to the conditions laid down by Central Government therein and in accordance with the provisions of the SEBI (Buy-back of Securities) Regulations, 1998. The proposed buy-back of shares is authorized by the Articles of Association of the Company vide Article 46(1).

The explanatory features of the buy-back proposal are set out hereunder:

1. The Board of Directors of the Company, at their meeting held on July 18, 2011, have considered and approved, subject to the consent of the members of the Company, the proposal for buy-back of its equity shares by the Company.
2. The Company intends to acquire equity shares each of face value of Re. 1 at a price not exceeding Rs.45/- per equity share (maximum buy-back price) with the total aggregate amount to be utilized not to exceed Rs. 29,76,49,000/-, which is within the limit prescribed under section 77A, that is 25% of the Company's fully paid up equity share capital and free reserves as per audited balance sheet as on March 31, 2011.
3. The main objective of buy-back is to utilize a portion of the surplus cash to buy-back equity shares at a price below its conservatively computed intrinsic value. This offers a tax-efficient mechanism to return money to those shareholders who wish to dilute their shareholding while ensuring that the buy-back is value enhancing to those shareholders who prefer to retain ownership of their shares.

4. The buy-back process is proposed to be implemented by the Company from the Open Market purchases through the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as the "Stock Exchanges"). There will be no Buy-back from any persons through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.
5. While fixing the maximum price of Rs.45/- per equity share for buy-back, the Board of directors have taken into account the various factors such as the current and future Earnings per Share, return on equity, net worth and other relevant factors. The Buy-back of equity shares will be made at a maximum price of Rs.45/- per share which represents a premium of Rs.17.85/- over the closing price of the Company's equity shares on the Bombay Stock Exchange on July 15, 2011, which was Rs. 27.15/-.
6. The aggregate paid-up share capital and free reserves of the Company as on March 31, 2011 was Rs. 119,05,96,000/- and under the provisions of the Act, the funds deployed for Buy-back shall not exceed 25% of the paid-up capital and free reserves of the Company. Accordingly, the maximum amount that can be utilized in the present Buy-back is Rs. 29,76,49,000/-. The aggregate amount proposed to be utilized for the Buy-back is Rs.29,76,49,000/-, which is within the maximum amount as aforesaid. Further, under the Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back cannot exceed 26,724,500 equity shares, being 25% of 10,68,98,000 equity shares of Re. 1 each as per the audited balance sheet as on March 31, 2011.

The Company can buy 66,14,422 equity shares, representing 6.19% of the total issued and paid-up equity capital of the Company, at the proposed maximum price of Rs.45/- per share in the maximum amount of Rs. 29,76,49,000/- proposed to be allocated for the buy-back. In case the average buy-back is lower than the maximum price of Rs.45/- the maximum number of shares which can be bought back would be more. The special resolution seeks the approval of the shareholders to authorize the Board to determine the price and number of equity shares to be bought back by the Company within the

limits aforesaid.

7. The money required for the Buy-back will be drawn out of internal funds and the share premium account and/or free reserves of the Company will be applied for the purpose of Buy-back.

8 a. The aggregate shareholding of the promoters and of the persons who are in control of the company as on August 05, 2011 is 435,69,053 Equity Shares of Re. 1 each, constituting 40.76% of the issued, subscribed and paid up equity share capital of the Company.

b. The Promoters and persons in control of the Company would not participate in this buy-back

c. The Promoter and the Promoter Group have not purchased or sold any equity shares during a period of six months preceding the date of the Board Meeting at which the buy-back was approved till the date of notice, i.e. 18th July 2011. However, 56,000 equity shares were transferred from a pool account to the account of Mr. R Vijaykumar during this period.

d. The maximum and minimum price at which the purchases or sales referred to in (c) above were made along with relevant dates:

9. The Board confirms that there have been no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any Financial Institution or Banks.

10. The Board of Directors on the basis of full enquiry conducted into the affairs and prospects of the Company have formed the opinion:

a. That immediately following the date on which the Resolution is passed, there will be no grounds on which the Company would be found unable to pay its debts.

b. That, as regards its prospects for the year immediately following the date that having regard to their intentions with respect to the management

of the Company's business during that year and to the amount and character of the financial resources which will in their view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date.

c. That in forming their opinion for the above said purposes; the directors have taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

11. The Company has obtained a report from M/s.P.Chandrasekar & Associates, Chartered Accountants and Statutory Auditors of the Company to the Board of directors to the effect that:

In pursuance of SEBI (Buy-back of Securities) Regulations, 1998 ("Regulations"), and in pursuance of the Board resolution dated 18th July 2011, we hereby certify as under:

i. We have made full inquiry into the Company's state of affairs in relation to the audited financial statements of the year ended March 31, 2011.

ii. The amount of permissible capital payment towards Buyback of equity shares (including premium) in question, as ascertained below, have been properly determined in accordance with section 77A (2) (c) of the Companies Act, 1956.

(As at March 31, 2011)	Rs. in Lakhs
Equity Share Capital	1068.98
Free Reserves:	
General Reserves	498.87
Profit & Loss Account	6204.05
Securities Premium Account	4134.06
Total Equity Share Capital and Free Reserves	11905.96
Maximum amount permitted for buy-back i.e. 25% of the Equity Share Capital and free reserves (Rs.)	29,76,49,000

iii. Based on the information and explanations given to us, we report that the Board of Directors have formed the opinion as specified in the Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

12. The buy back is expected to be completed within a period of 12 months of the date of passing of special resolution as permitted under the Companies Act, 1956.
13. The Company shall ensure that the ratio of the debt owed by the Company to its capital and free reserves does not exceed the statutorily prescribed ratio of 2:1 after the completion of the buy-back..
14. The shares bought back by the Company will be extinguished and destroyed within the stipulated time.
15. Further, the company will not make further issue of equity shares within a period of 6 months from the date of completion of the buy-back except as provided in Section 77A(8) of the Companies Act, 1956. However, the Board shall discharge subsisting obligations.

The directors of the company may be deemed to be interested in this resolution to the extent of increase in the percentage of their relatives' shareholding, if any, in the post buy-back capital of the company.

The Auditors' Report to the Board of Directors of the company referred above is available for inspection of shareholders on any working day of the Company at its registered office between 9.00.a.m and 6.00.p.m till the passing of the resolution.

Your directors recommend this resolution as a Special Resolution.

ITEM NO.7:

On many occasions, the Company has to provide security including hypothecation of Receivables and moneys lying in its Escrow Account and pledge of shares of any other Company including its subsidiary company to secure the due repayment, of the outstanding together with interest, costs and other charges under the credit facilities availed/that may be availed by any other Company including subsidiary company to the Bank or Financial Institution who have funded the financial requirements to the subsidiaries. Such banks and financial institutions insist on such powers in the Memorandum of Association of the Holding Company. Now therefore, it is felt necessary that such powers are embedded in the Objects Clause of the Memorandum of Association and accordingly,

sub-clause 55 is proposed to be inserted after the existing sub-clause 54 of Clause III (B) to comply with the said requirement and the Special Resolution set out in item no.7 of the Notice is intended to seek the approval of the members. Your directors recommend the resolution for approval by the shareholders.

None of the directors is interested in the resolution.

Inspection of Documents

The Memorandum of Association of the Company together with the proposed alteration is available for inspection of members during office hours at the Registered Office of the Company on all working days except Saturday and Sunday till the date of the Meeting between 9.00 a.m. and 6.00 p.m.

ITEM NO.8, 9, 10 and 11:

The current term of office of all the Executive (Whole-time Directors) Mr.R.Vijaykumar (previously Group Chairman), Mr.R.Ramkumar (previously Chairman), Mr.B.Sreekrishna (previously Managing Director) and Mr.B.Srinivasan (Whole-time Director) expired in March/May 2011.

The Board at its meeting held on 18th July 2011 had decided to appoint Mr.R.Vijaykumar as the new Managing Director of the Company with retrospective effect from 1st April 2011 for a period of five years from 1st April 2011 to 31st March 2016 on revised terms and conditions of appointment and remuneration. Mr.R.Vijaykumar would also assume the position of Chairman of the Company with effect from 1st September 2011.

Mr.R.Ramkumar who will be the Chairman of the Company till 31st August 2011 would be an Executive Director from 1st September 2011 while Mr.B.Sreekrishna and Mr.B.Srinivasan will be Whole-time Directors for a period of five years from 1st April 2011. The terms and conditions of appointment and remuneration payable to the new Managing Director and other three Whole-time Directors are clearly set out in the respective resolutions concerning their appointments.

A brief profile of each of these Directors seeking appointment/re-appointment is also provided as required by the stipulation contained in Clause 49 of the Listing agreement. The remuneration packages of the Managing Director and three Whole-time Directors have been considered and approved by the Remuneration Committee and are within the limits

prescribed under the Companies Act, 1956. The Special Resolutions with revised terms of remuneration for appointment of Mr.R.Vijaykumar as Managing Director and three Whole-time Directors is placed for ratification/approval of members. The Board recommends approval of all the Special Resolutions. The Directors are deemed to be concerned or interested in their respective appointments/re-appointments. The elaborate Special Resolutions proposed in item Nos.8, 9, 10 and 11 of the Notice calling the meeting together with this explanatory statement may be considered as sufficient notice of disclosure/extract as required under Section 302 of the Companies Act, 1956.

For and on behalf of the Board
For GEMINI COMMUNICATION LTD.

Place : Chennai
Date: 9th August 2011

R.RAMKUMAR
CHAIRMAN

GREEN INITIATIVE

Attention is invited to the Green Initiative initiated by the Ministry of Corporate Affairs and the Company's efforts in implementing the same for the benefit of the shareholders.

In this connection, the company has sent communication to the shareholders seeking their consent for sending the Annual Report and other communication from the company by using electronic mode.

We are thankful to such of the shareholders who have accepted receiving the Annual Report through e-mail and would request other shareholders to give their consent at the earliest to enable the company to implement and make the initiative a success.

In this connection the shareholders holding shares in demat form may please inform their e-mail ids to their concerned Depository Participants (DPs) with intimation to the Company/Registrar and shareholders holding shares in physical form may provide their e-mail id to the Company's Registrars at the following e-mail id/address or hand it over at the AGM Venue, quoting their folio reference:-

M/s. Integrated Enterprises (India) Limited,
2nd Floor, "Kences Towers",
No.1, Ramakrishna Street,
T.Nagar, Chennai – 600 017.
E-mail: corpserv@iepindia.com
E-mail: ir@gcl.in

Chennai
9th August 2011

For and on behalf of the Board
FOR GEMINI COMMUNICATION LTD

R.Ramkumar
Chairman

Director's Report

Dear Members,

Your Directors take pleasure in presenting the Sixteenth Annual Report and the Audited Accounts for the year ended March 31, 2011.

Particulars	20010-11	2009-10
Total Income	35203.51	22260.79
Total Expenditure	33918.58	20731.80
Profit before Tax	1284.93	1528.99
Provision For Tax	305.58	694.28
Net Profit after Tax	979.35	834.71
Provision for dividend	106.90	50.07
Dividend tax	17.75	8.51
Transfer to General Reserve	0	0

DIVIDEND

Your Directors have pleasure in recommending a dividend of 10% (Re.0.10 per share for face value of Re.1/- each) on paid-up Equity Share Capital for the financial year ended 31st March 2011 subject to the approval of the members in the ensuing Annual General Meeting.

SUBSIDIARIES

M/s.Gemini Traze RFID Private Limited, Chennai, M/s.Pointred Telecom Private Limited, Bangalore and Gemini Geoss Energy Private Limited are the three wholly owned subsidiary companies of Gemini Communication Ltd.

Gemini Traze RFID:

- Focus on providing complete Identification & Tracking solutions
- Completed project for the entrance examination of a leading educational institution for the purpose of Student Authentication using combination of RFID & Biometric technologies.
- Deployment of RFID based file tracking solutions to manage over 300,000 files for a leading insurance provider

Point Red Telecom:

- Opened new manufacturing and assembly facility in Taiwan Free trade Zone

- Two more products in the PointMAX Mobile WiMAX product portfolio received WiMAX Forum Certification taking the total tally to eight
- Secured several contracts each worth more than 1 M\$ for MicroRed products
- Forayed into 4G space with PointLiTE range of LTE/LTE advanced Products and PointMAX 2 range of WiMAX products
- Launches new range of All IP outdoor backhaul radios MicroRed ACE operating in 6-38 GHZ frequency Range

Veeras Infotek :

- Virtualization
 - Retained #1 position for VMWare in Chennai with 60% market share. Clearly established as a partner of choice in Chennai across server and storage
 - 200% growth in the storage business
 - #1 for NetApp in Chennai with 55% market share
 - #1 partner for Citrix in South India
 - Won large deals in the Desktop virtualization space

Platform

- 35% growth in Microsoft business
- 600% growth in Hardware (low base)
- Microsoft Cloud accelerate Partner – Active BPOS Partner

Security

- 35% growth in McAfee security business with over 50% market share
- Also among the top 5 partners in the country for McAfee
- Retained the #1 status for Symantec in Chennai with over 22% market share

Gemini Geoss Energy Private Limited: is a newly incorporated Company and its main object is producing green energy in the field of Power Sector.

- Foray into solar PV based energy generation with allotment of 16 MW projects in TamilNadu and Gujarat.
- Focus on off-grid energy solutions
- Completion of Pilot project for Intelligent water metering systems

M/s.Gemini Infotech Ltd was floated by your Company in Hong Kong during March 2008 to carry on the business of Networking & Communication. The investment in the subsidiary had been HK\$600,00,000. The Registered office of the Company is situated 7/F, Man on Commercial Building, 12-13 Jubilee Street, Central, Hongkong.

M/s.Veerass Infotek Private Limited , Chennai was acquired during June 2008 through M/s.Gemini Infotech, Hong Kong with an investment of Rs.3,57,00,000 towards 51% stake in the Company.

PR Wireless Tech Limited was incorporated in Hong Kong as a 100% subsidiary Company of Pointred Telecom Limited during November 2008 to carry on the business of wireless communication and technology. The investment in the subsidiary by Pointred Telecom Limited has been HK\$10,000.

At the end of the financial year the Company had totally six subsidiaries.

M/s.Gemini Traze RFID Private Limited,Chennai
 M/s.Pointred Telecom Limited,Bangalore
 M/s.Veerass Infotek Private Limited,Chennai
 M/s.Gemini Geoss Energy Private Limited
 M/s.Gemini Infotech Limited, Hong Kong
 M/s.PR Wireless Tech Limited,Hong Kong

SUBSIDIARY COMPANY ACCOUNTS

Ministry of Corporate Affairs, Government of India vide their Circular No.1/2011 dated 08.02.2011 have granted general exemption under Section 212(8) of the Companies Act, 1956 from attaching the financial statements of the subsidiary Companies, to the Company's accounts for the financial year ended 31st March, 2011 subject to certain conditions. Since the Company has fulfilled the conditions laid down by the Ministry, the annual audited individual accounts of the subsidiary companies are not attached to the Annual report but the annual accounts and the related detailed information will be made available to the holding and subsidiary companies investors seeking such information at any point of time. The annual accounts of

the subsidiary companies will also be kept for inspection by any investor at the head office and that of the subsidiary companies concerned. The company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand. Though the Annual Report of the Company does not contain the individual financial statements of the subsidiaries, it contains the audited consolidated financial statements of the company and its subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company have been prepared in accordance with the applicable Accounting Standards (AS-21, AS-23 and AS-27) issued by the Institute of Chartered Accountants of India and the Listing Agreement as prescribed by the Securities Exchange Board of India.

PUBLIC DEPOSITS

Your company has not accepted or invited any deposits from the public during the year.

DISCLOSURES

- A "Management Discussion and Analysis Report" highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc has been furnished separately and the same forms part of this Report.

- No employee was in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees Rules, 1975.

CONSERVATION OF ENERGY

Your company is maintaining minimum level of electricity and other power consumption and continues to ensure reduction in wastage and other losses during usage.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year there were no foreign exchange earnings but there was an outgo of Rs. 105.58 Lakhs during the year.

DIRECTORS

Mr.Eswaran Annamalai and Mr.V.K.Venugopal, Directors retire by rotation in the ensuing Annual General meeting and being eligible offer themselves for re-appointment. During the year, Mr.K.Hariharan

stepped down from the Board and the Board takes this opportunity to record its sincere appreciation for the guidance and support extended by him during his tenure as Director of the Company. The resolutions pertaining to appointment of Mr.R.Vijaykumar as the new Managing Director and three Whole-time Directors namely, Mr.R.Ramkumar, Mr.B.Sreekrishna and Mr.B.Srinivasan for a further period of five years is included in the notice convening the meeting for members approval. Their Profile, nature of expertise and other information are furnished in the Notice convening the Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed.

- i) That in the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the company for the year under review.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

AUDITORS

M/s P.Chandrasekar, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Board, on the recommendation of the Audit Committee, has proposed that M/s.P.Chandrasekar, Chartered Accountants, Chennai be re-appointed as the Statutory Auditors of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company. M/s.P.Chandrasekar, Chartered Accountants, have forwarded their certificate to the Company, stating that their re-appointment, if made, will be within the limit specified in that behalf in sub-section (1B) of Section 224 of the Companies Act, 1956.

Analysis Report, Corporate Governance Report and Company Secretary's Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

CEO/CFO CERTIFICATION

Mr. R.Vijaykumar, Managing Director and Chief Executive Officer, has given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

EXPLANATION TO QUALIFICATION/REMARK IN THE AUDITOR'S REPORT

The Auditor's Report to the shareholders does not contain any qualification.

ACKNOWLEDGEMENTS

Your Board of Directors are grateful to the stake holders, Bankers, Financial Institutions, Government Authorities, Local Authorities, employees and all business associates and customers for their continuous support and enthusiastic cooperation. Your Board of Directors also places its appreciation and thanks to the employees at all levels for their untiring efforts put in for the benefit of the company.

For and on behalf of the Board of Directors
For Gemini Communication Ltd.

R. Ramkumar
Chairman

Place: Chennai
Date: 9th August, 2011

Report on Corporate Governance

PHILOSOPHY

The Company believes and practices the best standards of Corporate Governance. The following is a Report on the status and progress on major aspects of Corporate Governance.

I. BOARD OF DIRECTORS

A) Composition of Board:

As on March 31, 2011 the Company had 8 directors comprising 4 non-executive directors and 4 executive directors. Mr. R.Vijaykumar and Mr. R.Ramkumar represent the Promoters Group. Mr.R.Ramkumar is the Executive Chairman and one half of the Board (4 directors) comprises of Non-executive Independent Directors meeting the criteria for independence under Clause 49 1 (A) of the Listing Agreement with the Stock Exchanges. The business of the Company is carried on by the four Whole time Directors including the Managing Director under the supervision and control of the Board of Directors.

Category of Directors	No. of Directors	Name of Directors
Promoter Directors	2	Mr. R.Vijaykumar (Group Chairman) Mr. R.Ramkumar (Chairman)
Whole time Directors	2	Mr. B.Sreekrishna (Managing Director) Mr. B.Srinivasan (Whole-time Director)
Non-Executive & Independent Directors	4	Mr. V.K. Venugopal Mr. Hari Sethuraman Mr. Eswaran Annamalai Mr. L.Sathyanarayan
Total	8	

B) Non executive directors' compensation and disclosures:

During the year the Company did not have any material pecuniary relationship and transaction with any of the non executive directors. The non-executive directors do not draw any remuneration from the company other than sitting fees. The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the listing agreement.

C) Board and Committee:

None of the Directors on the Board is a member of more than 10 Committees nor is the Chairman, a member of more than 5 Committees [as per Clause 49 (I) (C)] across all the companies in which he is a Director.

Board Meetings:

During the year ended March 31, 2011 the Board of Directors met 10 times. The Board Meetings were held on 03/05/2010, 15/05/2010, 06/07/2010, 12/08/2010, 06/09/2010, 10/09/2010, 18/10/2010, 02/11/2010, 01/03/2011 and 10/03/2011 during the year.

Attendance:

The attendance of directors at the Board Meetings and their Directorships and Committee memberships in other Public Limited Companies only is as follows:

Name of Director	Status	Attendance in Board Meetings	Attendance in last AGM Yes/No	Other Directorships in public limited companies only
R.Vijaykumar	Group Chairman	10	Yes	Nil
R.Ramkumar	Chairman	10	Yes	1
B.Sreekrishna	Managing Director	10	No	Nil
B.Srinivasan	Whole-time Director	10	Yes	Nil
Eswaran Annamalai	NED & Independent	5	No	Nil
V.K. Venugopal	NED & Independent	6	Yes	Nil
L.Satyanarayan	NED & Independent	6	Yes	Nil
Mr.Sethuraman Hari	NED & Independent	2	Yes	Nil

* Appointed in casual vacancy caused due to resignation of Mr.K.Hariharan on 3rd May 2010.

D) Code of Conduct:

Your company's Code of Conduct clearly lays down procedures for reporting to the management concerns about unethical behavior, actual or suspected fraud and prevention of Insider Trading. This code is devised for all members of the Board, Senior Management Personnel and Functional Heads of the Company. All the persons to whom this Code is applicable have affirmed compliance on an annual basis and a declaration to this effect, signed by the Managing Director is annexed hereto and forms part of the Report. The Code is posted on the website of the Company namely www.gcl.in.

II. AUDIT COMMITTEE

A) Qualified and Independent Audit Committee:

As on March 31, 2011, the Audit Committee comprised of 3 members, all of them being non-executive and independent. The constitution of the Audit Committee is as follows:

- | | | |
|---------------------------|---|---------------------------------|
| 1. Mr. L.Sathyanarayan | - | Chairman (Independent Director) |
| 2. Mr. Easwaran Annamalai | - | Member |
| 3. Mr. Hari Sethuraman | - | Member |
| *Mr. J.Chandramouli | - | Secretary |

The Committee was re-constituted after the resignation of Mr.K.Hariharan, erstwhile Chairman from the Board. Mr.L.Sathyanarayan is the Chairman w.e.f 12th August 2010. Mr. J.Chandramouli resigned as Company Secretary on 10th September 2010.

B) Meetings of Audit Committee:

During the year ended March 31, 2011 the Committee met on five occasions on 15/05/2010, 12/08/2010, 06/09/2010, 02/11/2010 and 01/03/2011. All the members attended all the meetings during the year.

C) Powers of the Audit Committee:

The audit committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

D) Role of Audit Committee:

The role of the audit committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Changes, if any, in accounting policies and practices and reasons for the same
 - b. Major accounting entries involving estimates based on the exercise of judgment by management
 - c. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Discussion with internal auditors any significant findings and follow up there on.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
9. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

III. SUBSIDIARY COMPANIES

- i) The Company has 4 Indian subsidiaries namely, Gemini Traze RFID Private Limited at Chennai, PointRed Telecom Limited at Bangalore, Veeras Infotek Private Limited, Chennai and Gemini Geoss Energy Private Limited, Chennai. Mr. L.Sathyanarayan, an Independent Director of the holding Company is on the Board of Gemini Traze RFID Private Limited and Point Red Telecom Limited.
- ii) The minutes of the subsidiaries are normally placed before the Board of the Company at periodical intervals and reviewed.
- iii) The Company does not have any listed subsidiary as on March 31, 2011.

IV. DISCLOSURES

A) Basis of related party transactions:

- A statement containing the material transactions with related parties including the subsidiaries and key managerial personnel during the year is placed before the Audit Committee. Important transactions with related parties are disclosed in Note No. 10 of Schedule 20 to the Accounts in the Annual Report.
- There were no material significant related party transactions with the non-executive directors during the year.

B) Disclosure of Accounting Treatment:

The Company has followed the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 in the preparation of Balance Sheet, Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2011 to the extent applicable.

C) Board disclosures - Risk Management:

The Company management informs Board members about the Risk Assessment and Minimization procedures to ensure that risk is controlled through the means of a properly defined framework. The Executive Directors are fully aware of the risks involved in the business.

D) Proceeds from public issues, rights issues, preferential issues etc:

During the year, the Company had allotted 67,55,100 equity shares of Re.1/- each at the rate of Rs.17/- each premium to few persons belonging to Promoter and Promoter Group and other Key Managerial Personnel on conversion of warrants issued on preferential basis during the previous year.

E) Remuneration of Directors:

- There were no pecuniary relationship or transactions with non-executive directors during the year requiring disclosure in the Annual Report.
- Details of remuneration paid to the Executive Directors during the year ended 31st March 2011 is as follows:

(Rs. in Lakhs)

Nature of Remuneration	R.Ramkumar Chairman		R.Vijaykumar Director		B.Sreekrishna Managing Director		B.Srinivasan Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Salary	12.00	12.00	12.00	12.00	3.00	12.00	10.80	10.80
Gratuity Provided	0.23	0.23	0.23	0.23	0.06	0.23	0.23	0.78
Contribution to PF and other funds	0.09	0.09	0.09	0.09	0.02	0.09	0.09	0.09

- Payment of Remuneration to the Executive Directors are governed by the terms and conditions approved by the Remuneration Committee, the Board and the shareholders. The remuneration structure comprises of salary, commission linked to profits, perquisites and allowances, contributions to Provident Fund, Superannuation and Gratuity as per Schedule XIII of the Companies Act, 1956.
- The non-executive directors do not draw any remuneration from the company other than sitting fees.
- The number of shares and convertible instruments held by Non-Executive directors as on March 31, 2011 are as follows:

Name of the Director	No. of Shares held	No. of convertible instruments held
Hari Sethuraman	2,55,000	Nil
Eswaran Annamalai	40	Nil
V. K. Venugopal	Nil	Nil
L.Sathyanarayan	Nil	Nil

F) Management:

- i) A Management Discussion and Analysis Report containing the details listed under clause IV (F) is annexed and forms part of the Board's Report.
- ii) During the year, there were no financial or commercial transactions with the Senior Management which could have a personal conflict with the interests of the company at large requiring disclosure in the annual report.

G) Shareholders:

- i) The brief resume, nature of expertise, names of companies in which the person holds directorships, committee memberships and shareholding of Mr. Eswaran Annamalai and Mr. V.K.Venugopal directors seeking re-appointment at the ensuing Annual General Meeting is furnished in the Notice calling the meeting.
- ii) Inter-se relationship between Directors
Mr. R. Vijaykumar and Mr. R. Ramkumar are brothers and belong to the Promoter Group.
- iii) The company ensures that Quarterly Results are published in widely circulated newspapers for information to the various stakeholders.

Details of publication of Quarterly Results during the year 2010-11 is as follows:

Quarter	News Paper	Date of Publication	StandAlone/ Consolidated
30/06/2010	News Today /Malai Sudar	13/08/2010	Standalone & Consolidated
30/09/2010	News Today /Malai Sudar	03/11/2010	Standalone & Consolidated
30/12/2010	News Today /Malai Sudar	28/01/2011	Standalone & Consolidated
31/03/2011	News Today /Malai Sudar	19/07/2011	Standalone & Consolidated

The company maintains a web site, namely www.gcl.in which is used to display most of the quarterly results, official releases, shareholding pattern, etc for information of all concerned. The quarterly and annual results of the company are faxed to the stock exchanges on which the company's shares are listed, immediately on closure of meeting of the Board of Directors.

V) Shareholder's/Investors Grievances Committee:

The Board of Directors constituted the Shareholder's Grievances Committee to specifically look in to transfer of shares, transmission of shares, remat requests, demat requests, request for issue of duplicate share certificates, request for splitting of certificates and for redressing investor complaints like non-receipt of balance sheet, non-receipt of dividend warrants etc.

The Committee comprises of three members of which 2/3rd are independent. The Chairman of the Committee is an Independent Director. The composition of the Committee is as follows:

1. Mr.Easwaran Annamalai (Chairman) – Non-Executive & Independent Director
2. Mr.R.Vijaykumar – Executive Director
3. Mr.Hari Sethuraman - Non-Executive & Independent Director

The terms of reference of the committee inter alia include the following:

1. To consider, approve or reject, requests as the case may be for Share Transfer, transmission, consolidation, splitting, transposition, demat & remat of shares and to carryout other related functions and documentation procedures in connection with the same.
2. To monitor the redressal of Investor Complaints like non-registration of share transfers, transmission, consolidation, transposition, splitting, demat, remat etc non-receipt of Annual Reports, issue of duplicate certificates and to deal with all other matters in respect of investor complaints.
3. To make such statement in any document, advertisement or announcement that may be issued, released or published in connection with the functions for which the committee is formed.

Mr. J.Chandramouli Secretary stepped down as Secretary on 10th September 2010. The Company is taking necessary steps to appoint a suitable person for the post. Mr. K. Kumar is the Compliance Officer of the Company and takes care of the day-to-day activities of the Secretarial Department. The Committee meets frequently depending upon the needs and it met three times during the year ended 31st March 2011.

As a policy, the Company approves transfers of shares within 30 days from the date of receipt and redresses complaints within 7 days of receipt if all the requirements of the statute are complied with in total. The Company conforms that there were no share transfers pending as on 31st March 2011 and all requests for dematerialization and re-materialization of shares as on that date were confirmed/ rejected in to the NSDL and CDSL system.

VI. Status of Investor Complaints

No. of correspondences/queries/complaints received from Shareholders / investors from 1st April 2010 to 31st March 2011	52
No. of correspondences /queries/complaints resolved/redressed	52

VII. Registrar and Share Transfer Agents

M/s.Integrated Enterprises India Limited, the Company's Registrar and Share Transfer Agents are responsible for processing the transfer of securities held in demat form and physical form. Shares in physical mode which are lodged for transfer either with the company or with the Share Transfer Agents are processed and subject to exercise of option under compulsory transfer cum demat procedure, share certificates are either dematted or returned within the time prescribed by the authorities. All the information relating to the shares of the company are available on line.

CEO/CFO CERTIFICATION

Mr.R.Vijaykumar, Managing Director and Chief Executive Officer of the Company have certified to the Board in accordance with Clause 49(V) of the Listing Agreement for the financial year ended March 31, 2011 which is annexed hereto.

NON – MANDATORY REQUIREMENTS

REMUNERATION COMMITTEE:

The Committee was formed to review the remuneration packages for executive and non-executive directors on the Board. The Committee comprises of the following members who are non-executive and independent.

Mr.Easwaran Annamalai (Chairman)
Mr.L.Sathyanarayan (Member)
Mr.V.K.Venugopal (Member)

The Committee met only once on 3rd September 2010 during the year.

OTHER INFORMATION

1. Details of General Body Meetings:

The last three Annual general meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2009-10	30-09-2010	03.15 p.m	"The Auditorium" Russian Centre of Science & Culture, No 74, Kasturi Ranga Road, Alwarpet, Chennai - 600 018
2008-09	24-09-2009	03.15 p.m	"Sathguru Gnananda Hall" (Mini Hall) 314, TTK Road, Alwarpet, Chennai - 600 018
2007-08	20-08-2008	10.30 a.m.	"Bharathiya Vidya Bhavan" (Mini Hall) East Mada Street, Mylapore, Chennai 600 004

2. Details of Special Resolutions passed during the past 3 Annual General Meeting:

AGM / EGM Date	Whether Special resolution passed	Particulars of Resolution
30-Sep-2010	Yes	Objects clause amendment for providing corporate guarantee for credit facilities available by subsidiaries. Ratification of Corporate Guarantee furnished from 1st October 2009 under section 372A
24-Sep-2009	Yes	Articles amended to include Nomination facility
6-May-2009	Yes	Issue of warrants on preferential basis to persons belonging to Promoter & Promoter group and senior Managerial Personnel.
27-Nov-2008	Yes	Alteration of Articles to include buy-back provision
20-Aug-2008	Yes	Sub-division of shares from Rs. 5/- each to Re. 1/- each Ratification of shortfall in dividend provision for the previous year Appointment of Mr. R.Vijaykumar as Group Chairman from 1.10.2008 Appointment of Mr. R.Ramkumar as Chairman from 1.10.2008 Appointment of Mr. B. Sreekrishna as Managing Director from 1.10.2008

3. Details of Special Resolutions passed through Postal ballot during the last 3 years:

By way of Special Resolution consent of the members were obtained through Postal Ballot for issue of sponsored ADRs/GDRs and Mrs. Jayashree Sridhar, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner. The details of the voting pattern were as under for both the resolutions.

Particulars	No. of Ballots	No. of Shares	% on Total Shares Received
Assent	40	34378855	99.92
Dissent	4	18500	0.053
Invalid Votes	2	8663	0.027
A) Total	46	34406018	100.00

4. General shareholders' information:

Dates of Book Closure: From 5th September 2011 to 9th September 2011 (both days inclusive)

5. 16th Annual General Meeting (AGM):

16th Annual General Meeting will be held on Friday, the 9th September 2011 at 12.15 p.m at "The Auditorium" Russian Center of Science & Culture, No.74, Kasturi Ranga Road, Alwarpet, Chennai – 600018.

6. Particulars of Financial calendar: 2011 - 2012

First quarter results	:	on or before 15th August 2011
Second Quarter Results	:	on or before 15th November 2011
Third Quarter Results	:	on or before 15th February 2012
Fourth Quarter Results	:	on or before 30th May 2012

7. Listing on Stock Exchanges:

The shares of the company are listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Madras Stock Exchange (MSE). The Annual Listing fees in respect of the shares of the company for the Financial Year 2011-2012 has been paid by the Company promptly to all the stock exchanges.

STOCK CODE :

STOCK EXCHANGE	STOCK CODE
BOMBAY STOCK EXCHANGE LIMITED	532318
THE NATIONAL STOCK EXCHANGE LIMITED	GEMINI EQ
MADRAS STOCK EXCHANGE LIMITED	GNC

8. Dematerialisation / Rematerialisation of Shares:

The Securities and Exchange Board of India (SEBI) mandated compulsory dematerialization of shares for all purpose of trading through registered channels. As on 31/03/2011 shares of the company held by the shareholders are in demat form aggregating 92.58 % of the total equity Paid up Capital and the balance 7.42% of shares are in the physical mode.

Physical Mode		Electronic Mode	
No of Shares	% of Shares	No of Shares	% of Shares
7929028	7.42	98968972	92.58
No of Shareholders	% of Holders	No of Shareholders	% of Shares
365	3.77	9317	96.23

9. Stock Market Data:

Monthly highly and low quotations along with the volume of shares traded at Bombay Stock Exchange Limited and National stock Exchange India Ltd. and there were no transaction taken place in Madras Stock Exchange Ltd.

Bombay Stock Exchange Limited				National Stock Exchange of India Limited		
Month	High (Rs)	Low (Rs)	Volume (Nos)	High (Rs)	Low (Rs)	Volume (Nos)
Apr-10	37.00	26.00	6436897	37.00	26.10	120,000
May-10	35.45	30.85	2236521	35.20	30.55	851027
Jun-10	33.00	29.05	4422978	33.00	29.00	499643
Jul-10	29.95	24.65	745701	29.90	24.80	750387
Aug-10	28.10	23.75	1160809	28.00	23.90	808931
Sep-10	30.40	24.00	2194117	30.70	24.00	829315
Oct-10	35.50	27.35	4592674	35.45	27.50	448866
Nov-10	31.95	25.85	587895	32.00	25.80	522606
Dec-10	27.40	23.35	1009817	27.20	23.30	477342
Jan-11	26.35	23.85	877342	26.20	23.85	673396
Feb-11	21.90	19.20	1469002	21.95	19.25	570615
Mar-11	20.80	17.60	1076039	20.75	17.35	666638

10. Distribution of shareholding as on 31st March 2011:

No of equity shares held	Shareholders		Equity Shares Held	
	No of shareholders	% to total	No of shares (Face Value of Re.1/- each)	% total
1-500	6676	68.95	1249642	1.17
501-1000	1072	11.07	923509	0.86
1001-2000	748	7.73	1256866	1.18
2001-3000	278	2.87	726914	0.68
3001-4000	167	1.72	624201	0.58
4001-5000	122	1.26	590043	0.55
5001-10000	277	2.86	2144646	2.01
10001 & above	342	3.53	99382179	92.97
Total	9682	100	106898000	100

11. Shareholding pattern as on March 31, 2011:

Category	No of share holders	Total shares	% to total
Promoter Group	9	38303600	38.25
Mutual Funds	1	22000	0.02
Bank, Financial Institutions & Others	1	2500	0.00
Insurance Companies	2	2757705	2.75
Foreign Institutional Investors	3	7112130	7.10
Bodies Corporate	358	20145207	20.12
Individuals	9030	30803271	30.76
Trusts	1	2000	0.00
Others	158	994487	0.99
Total	9563	100142900	100

12. Compliances:

There has been no non-compliance on the part of the company and no penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authority, on any matter related to capital markets during the last three years. The company endeavors to settle all shareholder complaints in the minimum possible time. The average period of settlement may vary from 7 days to 10 days except in the event of disputed matters/cases, which are kept pending till the same are mutually settled with the shareholders or are finally disposed off by the Court.

The address of the Share Transfer Agents is as follows:

M/. Integrated Enterprises India Ltd
 Unit: Gemini Communication Ltd
 2nd Floor, "Kences Towers"
 #1, Ramakrishna Street,
 T.Nagar, Chennai – 600 017.
 Phone : 044- 28140801
 Fax : 044 -28142479

Address for Correspondence to the Company:

Mr. K.Kumar, Compliance Officer
 Gemini Communication Ltd
 #1 Dr.Ranga Road
 Alwarpet, Chennai – 600 018
 email : sharedept@gcl.in / ir@gcl.in
 Phone Number : +91-044-2466 0570/571
 Fax Number : +91-044-2499 5062

Chief Executive Officer (CEO) Certification
as per Clause 49(V) of the Listing Agreement

9th August 2011
The Board of Directors,
Gemini Communication Ltd

CERTIFICATION TO THE BOARD PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT

I, R.Vijaykumar, Managing Director and Chief Executive Officer, hereby certify that in respect of the Financial Year ended on March 31, 2011

- a) I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit committee
- i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

R.Vijaykumar

Managing Director & Chief Executive Officer
GEMINI COMMUNICATION LTD.

CEO'S DECLARATION ON CODE OF CONDUCT

DECLARATION BY THE CEO UNDER CLAUSE 49 I (D) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

I, R.Vijaykumar, Managing Director of the Company hereby confirm that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31st March 2011 as stipulated by Clause (1) (1D) (ii) of the Listing Agreement with Stock Exchanges.

R.Vijaykumar
Managing Director
For Gemini Communication Ltd.

Date:9th August 2011
Place: Chennai

CERTIFICATE ON CORPORATE GOVERNANCE REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The shareholders of Gemini Communication Ltd
Chennai

I have examined the compliance of conditions of corporate governance by Gemini Communication Ltd, for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally complied with most of the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Jayashree Sridhar
Company Secretary in Practice
C.P.No.4248

9th August, 2011

MAKING OUR MARK
IN OUR BUSINESS AND INDUSTRY THROUGH OUR FOOTPRINT
MANAGEMENT DISCUSSION & ANALYSIS



Management Discussion and Analysis

PointRed Telecom –

PointRed designs, manufactures and supplies pre-WiMAX, mobile WiMAX, LTE (Long Term Evolution) and 4G (Fourth Generation) products to telecom operators worldwide. PointRed's product suite provides complete end-to-end offerings in the unlicensed and licensed bands for carriers. PointRed has a comprehensive range of products in pre-WiMAX, mobile WiMAX (commercially deployed), LTE (rollout plans by FY 2012) and 4G products comprising WiMAX 2 and LTE Advanced (advanced stage of product development). PointRed's range of products includes base stations, ASN Gateways, customer premise equipments. PointRed has its R&D facility in Bangalore and has a presence in Taiwan for manufacturing its products.

- PointRed has clients in 45+ countries, serving the needs of 120+ network operators worldwide with some trial deployments. PointRed proposes to increase its market share in key emerging markets like Africa, Latin America, CIS countries, Middle East and BRIC nations.
- PointRed is the only Indian company in the 4G space whose products are certified by the WiMAX Forum. Currently, PointRed is the leader in the mobile WiMAX products space with a market position of 40%.
- PointRed has an experienced and competent management, R&D and Sales team with members possessing total experience exceeding 350 years in the telecom space. The first line-management predominantly comprises software/hardware engineers and IT specialists with significant experience in the broadband space.

Key Highlights –

- Early mover advantage in mobile WiMAX products
- Experienced & competent management team
- Robust business growth
- Proven R&D capabilities
- Technology risk mitigation
- Global & Pan-India Presence of Gemini Communication Limited

Established and certified product portfolio & cost advantage

Industry Outlook –

Increasing demand for high-speed and high capacity, data-centric internet access by individuals and corporations is characterizing the broadband wireless access market. This has led to the evolution and increased adoption of WiMAX which represents superior performance and lower costs vis-à-vis currently deployed cellular technologies. With the WiMAX subscriber base estimated to reach 14 Mn. by 2013 and thereafter grow annually at ~130% for the next 4 years, India is estimated to house ~20% of the global WiMAX users, making it a \$13 Bn. market.

Globally, WiMAX networks have been deployed across 150 countries. According to WiMAX Forum, WiMAX service providers cover more than 823 Mn. people worldwide as of December 2010; this is expected to rise to over 1 Bn. people by December 2011, an annual growth of 20%+. LTE, a 3rd generation radio access technology is seen as the next major step in the evolution of broadband wireless technology after WiMAX. LTE supports higher performance due to its high data speeds, higher capacity bandwidth and lower latency.

Globally, LTE has been adopted by a few commercial networks on test basis, though large scale deployments of LTE are expected to happen in 2012. The global market size for LTE equipment for FY 2012 is expected to be around US\$ 5 – 6 Bn. The industry views coexistence of both WiMAX and LTE appropriate for meeting the growing demand for wireless broadband network. PointRed believes that both these technologies will co-exist in the network ecosystem. As a 4G player, PointRed intends to maintain a presence in both these technologies through its wide array of products. PointRed's technology and architecture, which is built on the strength of its R&D capabilities, are customizable to support both these technologies.

The Indian telecom market has been growing at a CAGR of ~ 30% since 1995 with the growth expected to continue in the future. The high growth of the Indian telecom market can mainly be attributed to mobile telecom services which have grown at a CAGR of more than 117% during 1995-2009. Overall telecom subscriber base has grown to 826.25 Mn. with overall teledensity reaching 69.29% as of February 2011.

According to Interactive Data Corp. (IDC) research, total global investments in basic WiMAX infrastructure is estimated to reach US\$3.585 Bn. by 2011. The Topology Research Institute (TRI) estimates the WiMAX chips market to be worth US\$1.105 Bn., with a total of 41.1 Bn. users by 2011. With the exception of few countries, the Asia Pacific region has a low broadband internet penetration rate and lacks the relevant infrastructure. Moreover, with a population of 3 Bn. (nearly half of the world's population), Asia-Pacific is set to play a decisive role in global WiMAX market development. IDC also estimates that Asia Pacific will have more than 50% share of global investment in basic WiMAX infrastructure by 2011.

Research & Development Capabilities

- PointRed is currently engaged in advanced research on 4G technologies comprising WiMAX 2 and LTE Advanced, which are viewed by its management as key drivers for future growth and positioning. Simultaneously, the Company is engaged in continuously upgrading its existing suite of WiMAX products in accordance with evolving technology.

PointRed plans to increase its presence in emerging markets such as Middle East, Africa, BRIC nations, CIS countries, Latin America etc PointRed believes that demand for its products in these markets will continue to grow in accordance with increased penetration of broadband. Increased sales in such countries would enable the Company to achieve economies of scale. PointRed believes that strategic partnerships are crucial towards cementing its footprint as a market leader in the industry. Accordingly, PointRed would diligently evaluate strategic partnerships and acquisitions which are in line with its vision and culture.

PointRed also believes that there are several companies globally who have innovative products but are unable to make an impression in the fast growing emerging markets. Therefore, PointRed believes that by partnering with such companies, it would be able to introduce unique products in the markets where PointRed has a strong presence.

Maintain Domestic Leadership in WiMAX Products and become a Leader in 4G space

The Indian enterprise data market has been on a strong growth trajectory, led by increased need for enterprise connectivity from deeper IT penetration. With continued increase in connectivity requirements from enterprises, this demand is expected to be sustained in the future.

PointRed has made substantial investments in R&D to accelerate its ongoing 4G product development program. PointRed expects to establish a new facility to manufacture mobile WiMAX and 4G products

Telecom Services Group (TSG)

Gemini TSG understands the telecommunication service offering business, with its experience for almost a decade, in India. Gemini TSG had built-up a deep knowledge of the Indian telecommunication market, and information on service providers and equipment manufacturers. Understanding the market along with the "know-who" among the industry key-personnel, we are able to anticipate future market development, and use them to proactively identify opportunities for our customers. Gemini TSG is associated with leading service providers and equipment manufacturers, as a trusted partner and evaluated high on periodic performance measures.

Gemini TSG and its team, had been developed with a customer focused organizational culture, managing customer relationship, and positioning ourselves as a company which can deliver quality services, through efficient systems and processes.

Gemini TSG had rooted its presence in Indian telecom services domain, with its ability to deploy critical networks within the Turn-Around-Time (TAT), through its qualified engineers, executing various projects across multiple location in India

Gemini TSG expertise in planning, deployment and maintenance, had enabled as a preferred partner by the leading services providers and telecom equipment manufacturers in India. The service capabilities also include performance & site quality audit, Energy management and managed services, driven by its systems and processes. Gemini TSG has rich and successful project implementation experience in WiMAX / MMDS / GSM / CDMA / technologies.

Gemini TSG is valued by its customers for all their service requirements from pre-deployment, deployment and post-deployment phase of network roll-out. As needed, we draw upon a network of associates that complement our core skills and give us higher exposure and experience. Over 90% of our business in telecommunications is referral or repeat business, thus confirming our reputation for excellence, and our ability to deliver valuable business solutions to our clients

We had completed assignments in India, Middle-East, and Africa, covering projects involving bid submission, network design, network optimization, telecom installation services and maintenance services.

As needed, we draw upon a network of associates that complement our core skills and give us higher exposure and experience.

Gemini had undertaken wide range of assignments on demand forecast, network planning and design, implementation and maintenance services, for many leading network operator and equipment manufacturers. The experience and skill set, we are able to apply includes:

- Hands-on experience in the design, development and implementation of fixed and wireless telecommunication networks
- Well proven skills from customer perspective
- Wide experience in services for various telecommunication projects

Our team possesses a round depth of experience in engineering business, financial and regulatory areas, thus enabling us to provide our customers with value added suggestions, from every key strategic technical angle.

Gemini has a long experience in offering wireless radio network services for leading service providers in India, and had rolled out projects in Point-to-Point, Point-to-Multipoint, MMDS, Fixed WiMAX, Mobile WiMAX, 2G and 3G networks. The project management teams closely monitor the customer requirement and fulfill the same, with accepted KPI. Gemini works with major equipment manufacturers through service providers or directly, and has enriched expertise on various technologies, across India. Gemini creates environment for the young talent to develop and deliver services to our customers, thereby sustaining our competitive advantage.

Pan-India Presence:

Gemini TSG had established its presence towards service offering at 194+ locations across India, with team strength of 2200+, and a percentage of retention at 96%

Wireless Network Service Offerings:

1. Engineering
 - a. Network Planning & Optimization
 - b. In-building solution
2. Deployment Services

- a. Site Engineering
- b. Installation & Commissioning
- c. Network Integration
- d. Network Redeployment
3. Operation & Maintenance
 - a. NOC Monitoring
 - b. Trouble Ticket Management
 - c. Field Maintenance Services
4. Professional Services
5. Performance & Energy Audits
6. Solar enabled Power agreement for telecom infrastructure
7. Passive Telecom Infrastructure Management

Wire-line Network Service Offerings:

The maintenance of the wire-line network had gained significant advancement, due to the network being deployed and maintained by the telecom service providers, predominantly for the BFSI segment.

Through its ability to provide end-to-end integrated services, Gemini TSG had partnered with existing service providers, to offer the following services:

1. Deployment of Leased line / MPLS circuits
2. Field Level Maintenance of Leased line / MPLS circuits
3. Field Level Maintenance of CPE Router and Switches
4. Field Level Maintenance of ATM

Consolidation of Account:

Gemini TSG had focused in FY 10-11 towards consolidation of business from existing customers. This had given a positive result, wherein we had gained higher market share, with respect to services, from all our key customers.

Going forward, Gemini TSG will maintain its market-share with its existing customer, and increasing the market-share from new service providers.

Gemini TSG is hopeful of its wire-line business, and will ensure its success as dominance shown, in Wireless arena. Another area of focus will be to build a concrete measure on its brand value, thereby entering into the global market, to offer its services.

Gemini TSG Highlights on the services offered in FY 10-11:

Customer Evaluation:

The performance evaluation of Gemini TSG, has been rated as high by major telecom service providers and equipment manufacturers, after post-implementation of the below:

1. Dedicated project management team
2. Dedicated account manager
3. Self-assessment of the team on ability to delivery technical assistance
4. External assessment of the team on the ability to deliver technical assistance
5. Periodic report and feedback

Highlights

- Evaluated in the “A category” by two leading Indian enterprise broadband service provider
- Evaluated with a overall score of 96% by leading global telecom equipment manufacturer
- Evaluated with “Green-Category” by a leading Indian retail broadband service provider

Gemini TSG has set itself a standard which is getting displayed, by having the customer satisfaction, as the driving force, both internally and for the customers.

Gemini had given access to the “Service-desk” portal, a Trouble-Ticket management portal, to its customer and thereby implementing full transparency on its maintenance services. The SLA can be measured by both the customer and Gemini TSG team, for performance evaluation, which gets continuously reviewed

Gemini TSG had given an open access to all our customers, on their feedback and complaints procedure, which gets listened by the team and its management. The customer expectation on services to be delivered had enabled the team to offer impartial and objective service operations, in the best interest of customer, during the service window.

With the recent allotment of spectrum for broadband wireless access to companies, we expect the service providers to initiate rollout in the coming months. With our past experience of implementing this project for BSNL we are hopeful of playing a significant role in the deployment of broadband wireless access network and infrastructure.

System Integration Business –

The last financial year added value to the consolidation exercise that the SI business has been going through. With the number of customers, who had faith in Gemini’s service & solutions capability increasing by 22%, for the entire year, Gemini was able to further dig deeper into enriching its commitment to efficient service. There had been very worthwhile investments in certain key technology areas like IT Security. Gemini set up a ‘Centre of Excellence’ & equipping itself in skills & infrastructure to conduct very advanced security audits for its customers. One of the most important & a strategic positioning was on the ‘Consulting’ space, where Gemini positioned itself and won 4 IT & Security Consulting orders, during the year.

The Data Centre space has seen large growth in the last few quarters. Gemini established 3 Data Centre’s for its banking customers and is well-placed to take further advantage of this booming business prospect in the coming financial year.

The Managed Services business, which has been a key focus area, helped Gemini win new customers’ and to remotely manage customers’ IT assets. Organizations are facing the heat to physically secure themselves better & due to which, Camera Surveillance has become a necessity for many campuses. Gemini’s 17 year expertise on providing solutions on Internet Protocol (IP) enabled Gemini to win large Surveillance projects for Government institutions.

The strong demand for electronic hardware and software in India has been fuelled by a variety of drivers including the high growth rate of the economy, emergence of a vast domestic market catering to the new generation of young consumers, a thriving middleclass populace with increasing disposable incomes and a relatively low-cost work force having advanced technical skills.

Indeed, the Government has also identified growth of this sector as a thrust area as there remains great expectation for significant growth given the fairly low levels of penetration.

The Indian IT sector has also built a strong reputation

for its high standards of software development ability, service quality and information security in the foreign market- which has been acknowledged globally and has helped enhance buyer confidence. The industry continues its drive to set global benchmarks in quality and information security through a combination of provider and industry-level initiatives and strengthening the overall frameworks, creating greater awareness and facilitating wider adoption of standards and best practices.

The industry is likely to continue growing from strength to strength, as local players incorporate best in class practices from global counterparts whilst retaining their edge in terms of lower cost of labor and focused governmental investments.

Going forward, the System Integration business of Gemini is reaching a paradigm shift point. The advent of tablet PC's, Cloud Computing & Mobile Broadband is fast accelerating anywhere, anytime secure connectivity to internet for voice, data & video purposes. This is likely to dramatically & disruptively change the very face of several communication oriented industries, challenging it yet again to innovate & work harder, to reap benefits.

Gemini's several innovative initiatives on IT Security, Enterprise Management & its committed services have kept customers' happy & loyal to Gemini. This year, Gemini would launch its 'Cloud' initiatives on Storage, Mail Management, Virtual Desktops etc., expanding its services portfolio to accommodate the cross-section of active IT usage companies.

There would be added focus on the education segment, with Gemini's conscious effort to improve the industry-institute gap & thus, converting the business opportunity that lies within. Gemini would focus on training engineering students' in various technologies to keep the students' in-tune & updated with the latest developments.

Gemini has taken various initiatives to expand their services offerings, globally & expects to acquire some international business, in this financial year.

Energy & Utilities business

India is one of the fastest growing countries in terms of energy consumption. Currently, it is the fifth largest consumer of energy in the world, and will be the third largest by 2030. At the same time; the country is heavily dependent on fossil sources of energy for most of its demand. This has necessitated the country to start aggressively pursuing alternative energy sources - solar, wind, biofuels, small hydro and more.

Today, India can well be identified as an energy guzzler. The demand for power is growing exponentially and the scope of growth of this sector is immense. India's power supply-demand gap has averaged between 8 and 10 per cent over the last decade where electricity access exists. By 2012, India's energy requirement to touch 975,222 MU (and peak demand 1,571,070 MU) an increase of 31.9% and 44.3% respectively from the current demand. India's grid-connected power generation capacity will need to scale from 148GW currently to 460GW by 2030 while the country's primary energy demand is expected to grow from 400 million tons of oil equivalent to well over 1,200 million by 2030. It is feared that by 2030, the country will import 94% of its petroleum requirement. Undoubtedly, renewable energy appears to be the most plausible option for the country to rely on.

Energy security is important for India, which is largely dependent on fossil fuel imports to foster its economic growth. According to the World Energy Outlook report, India will become the third largest net importer of oil before 2025 after the United States and China. This will not be sustainable in the long run given the high volatility of international crude oil prices. Coal imports are also likely to increase from 12 percent in 2005 to 28 percent in 2030. In order to insulate itself from any future supply disruption and price shocks of fossil fuels and to achieve energy security and also meet global climate change objectives Renewables have indeed caught the imagination of India. Riding on the crest of a high growth trajectory and in pursuit of sustainable sources to meet its rising domestic energy demand and access to energy for overall development the country is focusing on harnessing renewable energy production through maximizing the utilisation of renewable energy. The Government of India is convinced that Renewable source could make it possible to generate off-grid power to bridge this electricity deficit.

The market in India for the RE business is growing at an annual rate of 15%. The scope for private investment in RE is estimated to about \$3 billion. This growth is expected to continue in the coming years as stricter environmental norms and regulatory pressure are placed on Indian industries.

Solar Energy:

Solar energy development is supported by Government of India incentives and, more recently, is spurred by the ruling high fossil fuel prices. Generation of electricity from Sun is a flagship programme of the Government of India. The solar energy market potential is huge, while only a fraction of the aggregate potential has so far been realised.

India has one of the world's largest programmes in solar energy which include R&D, demonstration and utilisation, testing & standardization, industrial and promotional activities. Processed raw material for solar cells, large capacity SPV modules, SPV roof tiles, inverters, charge controllers all have good market potential in India as do advanced solar water heaters, roof integrated solar air heaters; and solar concentrators for power generation (above 100 KW).

KEY FACTORS RESPONSIBLE FOR GROWTH OF THIS SECTOR INCLUDE:

- Large demand-supply gap in electricity
- India is generously endowed with RE resources like solar, wind, bio-mass materials, urban and industrial wastes and small hydro resources
- Low gestation periods for setting up RE projects with quick return
- Conducive government policies
- The large number of financing options available for capital equipment
- Increasing awareness among industry that being environmentally responsible is economically sound.
- The significant resource coupled with continued Government support makes India a very attractive location for renewables development.

FOCUS AREAS

- Grid-interactive renewable electricity generation systems;
- Renewable Energy for Urban, Industrial & Commercial Applications;
- Renewable Energy for Rural Applications;
- Research, Design & Development in New & Renewable Energy Generation and Applications

Gemini TRAZE RFID

Despite challenging economic conditions, the RFID industry is expected to open up in 2012. Despite continued challenges regarding RFID adoption, new applications are expected to emerge in the commercial and industrial sectors. Additional growth is expected to derive from expanded RFID use in electronic vehicle registration, electronic IDs, government initiatives, library systems and supply chain management.

Versatility is likely to drive future growth in radio-frequency tracking systems, and as the technology advances into new fields, additional capabilities and design enhancements could push RFID adaptability even further. However, experts also see numerous challenges to RFID adoption under present circumstances.

RFID is an emerging technology, and like all new entrants, it takes time for people to become familiar with its capabilities, understand where it can be used, discover its value and evaluate its ability to scale. It also takes time for vendors to sufficiently develop the technological capability where it can properly function in a live environment. In our view, most people still see RFID as too new and unproven to even evaluate.

In addition, given the lingering effects of the economic downturn, CFOs have been protective of capital, and new projects using new technologies have not been high on the priority list. Overcoming this reluctance may require additional education on RFID adoption for both end users and system integrators. Building and spreading skills for implementing RFID technology, even on a pilot program level, is likely to be a priority for the RFID industry if it is to maintain long-term growth.

The key growth drivers are:

- Adoption and increased spending by Government
- Advancements in UHF technology
- Declining costs for RFID infrastructure

The key segments of growth are likely to be:

- Education
- Transportation
- Industrial

The radio frequency identification (RFID) market is poised to bounce back strongly over the next few years. Although growth in the established sections is leveling off somewhat, new areas are starting to see significant interest. Applications such as electronic vehicle registration, e-ID and e-government documents and library systems are all poised to drive RFID market and Government will continue to be the biggest spender.

Some of the expected industry trends are:

- Convergence of RFID with Wireless technologies, GPS, RTLS
- Lower cost, slimmer and longer battery based Active RFID tags
- Advancements in Printed RFID and semi-passive RFID technology

Veeras Infotek

A 36% growth in revenues in 2011 was an accomplishment considering the market was just reviving from the 2009 – 10 upheaval and the market sentiments were obscured. The investment made over the past years has led to a splurge in the Virtualization and storage consolidation markets for Veeras Infotek.

- Virtualization
 - Established clearly as a partner of choice in Chennai across server and storage.
 - Retaining number one for VMware in Chennai with 60% market share
 - Have grown storage business by 200%
 - Become number one for NetApp in Chennai with 55% market share
 - Have won large deals on Desktop virtualization
 - Become number one partner for Citrix in Chennai
- Platform
 - Have grown by 35% in Platform and Collaboration space
- Security
 - Have grown security business by 35% with over 50% market share in the endpoint protection space on number of users..
 - Also among the top 5 partners in the country for McAfee
- VMware Best Reseller FY'10
- DQ week's Best Software Reseller (4th year in a row)
- "The DQ Week Best SI-Software" of Chennai 2010
- IDG Channel world Top 100
- The Best Solution Partner for VMware in India National Award-2010
- CRN Xcellence Awards 2010 for the Best Solutions Provider – Infrastructure Software

Industry Outlook:

The channels and SI's are in a piquant situation right now with the onset of the "Cloud" campaigns. The role and pertinence of the channel model is put to question now. The transformation of the SI from products to services is imperative now more than ever. A professional approach towards services and the ability and mindset to compete against the big consulting companies is the need of the hour. Focus of the companies in this space should be towards building their Brand and provide differentiated service level guarantees which will ensure a progressive future. Companies need to collaborate and re-strategize on the hosting model and align themselves with white label hosted service providers and enhance their service delivery capability.

Towards this Veeras Infotek has been building a practices model that will deliver consulting and professional services in the domains of Cloud computing & Virtualization, Platform and Collaboration, Security and Business continuity planning Services. This will be done across all three modes of delivery onsite, on the cloud and hybrid architecture. This will redefine the way Veeras Infotek will be transformed in the next three years.

Strategies for the current year:

- Focus on the Enterprise
 - That's where our customers are
- We will focus on the following
 - Private Cloud Will Get a Lot More Attention
 - Market Focus on Virtualization Will Shift from Consolidation to Management
 - Delineation Between Hardware and Software Channels Will Come to an End
 - Virtualization
- Automated Management of IT Infrastructure
- Security
- Geo presence important to address Enterprise requirements
- CORE Organization Initiatives
- Great Focus on VTechPro, the Professional Services Group with additional resources and customer acquisition mindset.

- By 2014 it is predicted that 90% of organizations will support corporate applications on personal devices. And by 2013, 80% of businesses will support a workforce using tablets.
 - IT@HOME, the retail company of Veeras Infotek, will capitalize, extend and focus on this and capture that market.
 - Vision set 5 years ago to be the change agent of the Lifestyle transformation to the consumers

Summary:

Our key growth drivers are as below -

- PointRed – Global 4G and WiMax opportunities
- Telecom managed services - renewed contracts & expansion to new service areas
- System Integration - Cloud Computing, Workplace convergence, Mobile Broadband
- Energy & Utilities business – Opportunities in Solar based solutions

With the above, we are all set to continue the growth momentum. Each of these key growth areas will catapult our business into newer growth trajectory and we expect to do very well this year as well.

STAND-ALONE FINANCIALS

Consistent & steady Growth



Auditor's Report

To,

The Members
 Gemini Communication Ltd
 Chennai

1. We have audited the attached Balance Sheet of Gemini Communication Ltd as at 31st March, 2011, Profit and Loss Account and Cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above we report that:-
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors' Reports have been forwarded to us and have been properly dealt with.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt in this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) section 211 of the Companies Act, 1956 to the extent applicable;
 - e. As explained to us and based on the written representation received from the directors, and taken on record by the Board of Directors we report that none of the directors are disqualified, as on 31st March 2011 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
 - a. in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - b. in the case of the Profit & Loss account, of the PROFIT for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the Cash Flows for the year ended on the date.

For M/S P.Chandrasekar
 Chartered Accountants

P.Chandrasekaran

PARTNER
 MEMBERSHIP NO: 26037
 Firm NO: 000580S

Place: Chennai

Date: 18th July, 2011

Annexure To The Auditors' Report

Referred to in paragraph 3 of our report of even date

1.
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets which needs to be updated.
 - b) All the assets have been physically verified by the Management during the year. No material discrepancies were noticed during such verification.
 - c) Substantial part of fixed assets have not been disposed off during the year.
2.
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3.
 - a) The company has granted interest free unsecured loans to Subsidiary Companies, covered in the register maintained under section 301 of the Companies Act, 1956. The outstanding balance is Rs. 5214.68 lakhs. The other clauses are not applicable.
 - b) The company has not taken any loan, secured or unsecured, from the Companies, firms and other parties covered in the register maintained under section 301 of the Act. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in Internal Control system.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act has been entered in the register maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year as defined under section 58A of the Companies Act, 1956.
7. The company has an internal audit system commensurate with the size and nature of its business.
8. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
9.
 - a) The company is depositing, with some delays, with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, wherever applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable except Rs 147.14 lakhs payable towards self assessment tax u/s 140A of the Income Tax Act for AY- 2010-11 & a revision of Income Tax demand Rs. 5.33 Lakhs relating to A.Y. 2001 – 02.
 - c) According to the information and explanations given to us, there are no dues of Sales tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any

dispute except as under:-

DEMAND	ASSESSMENT YEAR	Rs. (In Lakhs)	DISPUTED BEFORE
Central Excise	2000-01	56.80	CCE(A)
Income Tax	2002-03	10.45	HC, Chennai
Income Tax	2006-07	419.69	HC, Chennai
Income Tax	2007-08	62.07	AO, Chennai
Income Tax	2008-09	344.31	HC/AO, Chennai

10. In our opinion, the company has no accumulated losses as at the year end. The company has not incurred cash losses during the financial year covered under by our audit and immediately proceeding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
15. In our opinion and according to the information and explanations given to us, the company has given corporate guarantee for loans taken by subsidiary companies from banks, the terms and conditions are not prima facie prejudicial to the interest of the company.
16. In our opinion and according to the explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the company has made preferential allotment of shares during the year to parties covered in the register maintained under section 301 of the Companies Act, 1956. The price at which the issue is made are not prima facie prejudicial to the interest of the company.
19. According to the information and explanations given to us, the company has not issued any debentures during the year and creation of security for issue of debentures does not arise.
20. According to the information and explanations given to us, the company has not raised money by public issues during the financial year and the disclosure of end use of money raised by public issues does not arise.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M/S P.Chandrasekar
Chartered Accountants

P.Chandrasekaran

PARTNER
MEMBERSHIP NO: 26037
Firm NO: 000580S

Place: Chennai

Date: 18th July, 2011

Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	Schedule	As at 31-03-2011		As at 31-03-2010	
I SOURCES OF FUNDS					
(1) Shareholder's Funds:					
a) Capital	1	1,068.98		1,001.43	
b) Share Warrant (Refer Note)				507.23	
c) Reserves and Surplus	2	11,049.55	12,118.53	8,845.48	10,354.14
(2) Loan Funds:					
a) Secured Loans	3	10,615.15		14,482.58	
b) Unsecured Loans	4	8,233.49	18,848.64	8,287.34	22,769.92
(3) Less: Deferred Tax Liability	14		1,199.00		1,133.19
TOTAL			32,166.17		34,257.25
II APPLICATION OF FUNDS					
(1) Fixed Assets:	5				
a) Gross Block		17,691.40		15,897.20	
b) Less: Depreciation		8,864.16		6,418.46	
c) Net Block		8,827.24	8,827.24	9,478.74	9,478.74
(2) Investments	6		5,578.85		5,577.85
(3) Current Assets, Loans And Advances:					
a) Inventories	7	6,952.44		3,429.92	
b) Sundry Debtors	8	26,715.45		19,351.51	
c) Cash and Bank Balances	9	1,642.35		836.26	
d) Other Current Assets	10	1,071.68		1,535.70	
e) Loans and Advances	11	7,981.86		4,766.93	
				29,920.32	
Less: Current Liabilities and Provisions:					
a) Liabilities	12	25,875.69		10,303.40	
b) Provisions	13	728.01		416.25	
Net Current Assets		26,603.70	17,760.08	10,719.66	19,200.66
TOTAL			32,166.17		34,257.25
Notes on Accounts	20				

As per Our Report of even date
For M/s P. Chandrasekar
Chartered Accountants

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Director

P. Chandrasekaran
Partner
Membership No - 26037
Firm No - 000580S
Place : Chennai
Date : 18th July, 2011

R. VIJAY KUMAR
Managing Director

Profit and Loss Account for the year ended 31st March, 2011

(Rs. in Lakhs)

	Schedule	For the year ended 31-03-2011	For the year ended 31-03-2010
INCOME:			
Sales income from network Product & Services		31,616.28	21,337.29
Other Income	15	64.71	78.64
Increase / (Decrease) in Stock	16	3,522.52	844.86
		35,203.51	22,260.79
EXPENDITURE			
Cost of Material for Resale		26,061.49	13,704.64
Salaries & Staff Welfare	17	2,200.48	1,687.86
Administrative Expenses	18	626.11	803.60
Selling & Distribution Expenses	19	4.19	28.93
Depreciation	5	2,445.70	2,123.15
		31,337.97	18,348.18
PROFIT BEFORE INTEREST & TAX		3,865.54	3,912.61
Less: Interest & Financial Charges		2,580.61	2,383.62
PROFIT BEFORE TAX		1,284.93	1,528.98
Less: Provision for Current Tax		239.78	303.85
Adj: Provision for Deferred Tax		65.81	390.43
PROFIT AFTER TAX		979.35	834.70
Appropriations:		-	-
Proposed Dividend @ 10% (P.Y 5%)		106.90	50.07
Tax on Dividend @ 16.609%		17.75	8.51
		124.65	58.58
BALANCE OF PROFIT CARRIED TO BALANCE SHEET		854.70	776.12
Earnings Per Share in Rs. (Basic)		0.95	0.86
Earnings Per Share in Rs. (Diluted)		0.95	0.86
Notes on Accounts	20		

As per Our Report of even date
For M/s P. Chandrasekar
Chartered Accountants

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Director

P. Chandrasekaran
Partner
Membership No - 26037
Firm No - 000580S
Place : Chennai
Date : 18th July, 2011

R. VIJAY KUMAR
Managing Director

Schedules Forming Part of the Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE - 1 : CAPITAL:		
SHARE CAPITAL		
Authorised: 15,00,00,000 Equity Shares of Rs.1/- each	1,500.00	1,500.00
ISSUED, SUBSCRIBED & PAID-UP: 10,68,98,000 Equity Shares of Rs. 1/- each (P.Y. - 10,01,42,900 Equity Shares Rs. 1/- each) (of the above 96,68,000 Shares were issued as fully paid bonus Shares during the year 2007-2008 by capitalising Profit & Loss A/c) (of the above 67,55,100 Equity Shares of Re.1/- each were issued on a preferential allotment to the warrant holders during the year 2010-11)	1,068.98	1,001.43
	1,068.98	1,001.43
SCHEDULE - 1A : SHARE WARRANT (Refer Note)		
a) Advance Received for Share Warrant - 2007-08	-	201.00
b) Advance Received for Share Warrant - 2009-10	-	306.23
	-	507.23
SCHEDULE - 2 : RESERVES AND SURPLUS:		
a) Securities Premium Amount	2,985.69	2,482.00
Add: Current year receipts	1,148.37	503.69
	4,134.06	2,985.69
b) Capital Profit		
On Reissue of Forfeited Shares	3.79	3.79
On Forfeited of Share Warrants	201.00	-
	204.79	3.79
c) GENERAL RESERVE:		
As per Last Year Balance Sheet	498.86	498.86
	498.86	498.86
d) Profit and Loss Account as per Last Year	5,357.14	4,581.01
Add: Transfer from Profit & Loss Account	854.70	776.12
	6,211.83	5,357.14
TOTAL (a+b+c+d)	11,049.55	8,845.49
SCHEDULE - : LOAN FUNDS:		
SCHEDULE -3 : SECURED LOANS		
From Bank - Cash Credit	5,145.34	4,522.73
- Term Loan	5,469.81	9,959.85
	10,615.15	14,482.58
SCHEDULE -4 : UNSECURED LOANS		
6% Convertible Bonds 2012 (Refer Note...)	8,230.50	8,230.50
From Others	2.99	56.84
	8,233.49	8,287.34

Schedules Forming Part of the Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE - 6 : INVESTMENTS		
Long Term Investments (Trade - Unquoted - Fully Paid)		
Gemini Traze RFID Pvt. Ltd. (100% Subsidiary) (56,85,000 Shares of Rs. 10 each at par)	568.50	568.50
Point Red Telecom Ltd. (100% Subsidiary) (10,12,21,000 Shares of Rs. 10 each at cost)	1,218.33	1,218.33
Gemini Infotech Ltd. (100% Subsidiary) (3,60,00,000 Shares of HK\$ 1 each at cost)	3,791.02	3,791.02
Gemini Geoss Energy Pvt. Ltd. (10,000 Shares of Rs. 10 each)	1.00	-
	5,578.85	5,577.85
SCHEDULE - 7 : INVENTORIES: (Valued at cost or net realisable value and as certified by the Management)		
Stock in Trade	6,952.44	3,429.92
	6,952.44	3,429.92
SCHEDULE - 8 : SUNDRY DEBTORS (Considered Good for which the company holds no security other than debtors personal security)		
Outstanding over six months		
Considered Good	14,193.75	12,701.49
Considered Doubtful	-	212.42
	14,193.75	12,913.91
Other Debts	12,521.69	6,650.02
	26,715.45	19,563.93
Less : Provision for Doubtful debts	-	212.42
	26,715.45	19,351.51
SCHEDULE - 9 : CASH AND BANK BALANCES		
Cash on Hand	3.25	4.77
Balance with Scheduled Bank		
In Current Accounts	823.70	104.29
In Unpaid Dividend A/cs	10.06	9.85
In Margin with Bank of India	804.28	710.11
Balance with Non-Scheduled Banks		
In Current Accounts	1.06	7.24
	1,642.35	836.26
SCHEDULE - 10 : OTHER CURRENT ASSETS:		
Telephone & Rent Deposits	35.34	26.76
EMD & Security Deposits	340.18	404.84
Other Current Assets	357.66	469.52
Prepaid Expenses	9.32	450.75
TDS Receivables	329.18	183.83
	1,071.67	1,535.70

Schedules Forming Part of the Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE - 11 : LOANS AND ADVANCES:		
(Considered Good for which the Company holds no security other than person security)		
Advances to Subsidiary Companies	5,213.86	1,822.05
Advances recoverable in cash or in kind	779.54	1,118.90
Trade Advances	1,988.46	1,825.98
	7,981.86	4,766.93
SCHEDULE - 12 : LIABILITIES:		
Sundry Creditors	23,559.90	7,646.12
Other Liabilities	1,860.48	1,157.65
Advances from Customers	455.31	1,499.63
	25,875.69	10,303.40
SCHEDULE - 13 : PROVISIONS:		
Proposed equity dividend	106.90	50.07
Tax on Proposed equity dividend	26.26	16.77
Provision for Income Tax	543.63	303.85
Provision for Gratuity	51.21	45.56
	728.01	416.25
SCHEDULE - 14 : DEFERRED TAX LIABILITIES:		
As per Last Balance Sheet	(1,133.19)	(742.76)
Adj: for the Year from Profit & Loss Account	(65.81)	(390.43)
	(1,199.00)	(1,133.19)

Schedule Forming Part of the Balance Sheet as at 31st March, 2011

Schedule - 5: Fixed Assets

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As at 01.04.2010	Addition during the year	Deletion during the year	As at 31.03.2011	For the Year	Deletion during the year	As at 31.03.2011	As at 31.03.2010
LAND & BUILDING:								
Land	352.36	-	-	352.36	-	-	352.36	352.36
Building	318.77	-	-	318.77	5.20	-	294.85	300.04
PLANT & MACHINERY:								
Computer Machinery	1,547.42	67.76	-	1,615.17	237.03	-	585.80	755.07
Networking Equipments	1,120.40	66.83	-	1,187.24	57.52	-	977.46	968.14
Software	6,093.15	-	-	6,093.15	941.14	-	2,877.51	3,818.64
FURNITURES & FIXTURES:								
Xerox Machine	1.26	-	-	1.26	-	-	-	-
Telephone	2.21	-	-	2.21	0.16	-	0.44	0.59
Furniture & Fixtures	176.42	2.84	-	179.26	11.21	-	110.57	118.94
Electrical Fittings	615.43	-	-	615.43	43.56	-	456.16	499.72
Modems	4.63	-	-	4.63	-	-	-	-
Office Equipments	36.70	19.86	-	56.55	3.44	-	30.55	14.14
UPS	48.10	-	-	48.10	3.55	-	22.42	25.96
PROJECT ASSETS:								
Computer Machinery	2,053.93	25.69	-	2,079.63	413.08	-	678.09	1,065.47
Software	1,242.28	1,239.53	-	2,481.81	374.79	-	1,495.36	630.61
Electrical Fittings	1,608.34	-	-	1,608.34	321.67	-	484.89	806.56
Dot Matrix Printers	86.53	-	-	86.53	17.31	-	24.24	41.55
Network Equipments	60.23	371.69	-	431.92	10.34	-	420.41	59.06
VEHICLES, ETC:								
Vehicles	60.18	-	-	60.18	5.72	-	16.14	21.86
INTANGIBLE ASSETS:								
IPR / Know-how	468.87	-	-	468.87	-	-	468.87	-
TOTAL	15,897.20	1,794.20	-	17,691.40	2,445.70	-	8,864.16	9,478.74
PREVIOUS YEAR	13,017.85	2,879.35	-	15,897.20	2,123.15	-	9,478.74	8,722.54

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in Lakhs)

	For the year ended 31-03-2011	For the year ended 31-03-2010
SCHEDULE - 15: OTHER INCOMES:		
Interest received from Banks	48.28	43.41
Commissions & Other Incomes	13.72	35.23
Exchange Rate Difference Gain	2.71	-
	64.71	78.64
SCHEDULE - 16: INCREASE / DECREASE IN STOCKS:		
Opening Stock		
Stock in Trade	3,429.92	2,585.06
Closing Stock		
Stock in Trade	6,952.44	3,429.92
Increase / (Decrease) in Stock	3,522.52	844.86
SCHEDULE - 17: SALARIES & STAFF WELFARE:		
Salaries, Wages & Bonus	2,002.28	1,470.44
PF Contribution, ESI	135.20	107.20
Staff Welfare	19.60	17.50
Directors Remuneration	37.80	46.80
Gratuity	5.59	45.92
	2,200.48	1,687.86
SCHEDULE - 18: ADMINISTRATION EXPENSES:		
Rent	86.20	59.90
Electricity	17.18	17.13
Travelling & Conveyance	87.41	102.25
Postage & Telephone Charges	170.01	164.64
Repairs & Maintenance - Vehicles	0.31	0.15
Repairs & Maintenance - Others	2.45	5.63
Printing & Stationary	8.89	9.05
Training Expenses	1.73	14.67
Audit Fee	11.04	11.03
Donation	-	0.35
Consultancy Charges	27.71	68.15
Insurance Premium	15.91	8.18
Legal Fees	11.48	4.50
Office Maintenance	36.01	23.24
Secretarial Expenses	13.50	22.37
Rates & Taxes	2.97	0.82
Carriage Expenses	0.12	-
Sundry Expenses	133.20	92.65
Bad Debts	-	149.97
Exchange Rate Difference Loss	-	48.92
	626.11	803.60

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in Lakhs)

	For the year ended 31-03-2011	For the year ended 31-03-2010
SCHEDULE - 19: SELLING & DISTRIBUTIONS:		
Advertisement Expenses	1.70	2.03
Business Promotion Expenses	2.49	6.57
Commission, Discount, etc	-	20.33
	4.19	28.93

Accounting Policies and Notes

SCHEDULE: 20 Notes on Accounts:

A. Significant Accounting Policies

1. SYSTEM OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP), and all income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The financial statements comply with the applicable mandatory Accounting Standards.

2. REVENUE RECOGNITION

Revenues, in respect of revenue from network products and projects are recognized on completion of respective works contracts. In respect of fixed price service activities, revenue is recognized on time and materials basis. In respect of other contracts, revenue is recognized on the achievement of the milestones set out in the contracts.

The revenues from Services and Installation Charges are recognized on completion of respective works contract/s.

Income from Investments is recognized on receipt basis.

Interest is recognized using the Time-Proportion method, based on the rates implicit in the transaction.

3. USE OF ESTIMATES

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the year as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

4. FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include financing costs relating to borrowed funds attributable to acquisition up to the date the assets are ready for use.

5. DEPRECIATION

Depreciation is provided on straight-line method at the rates specified in SCHEDULE XIV to the Companies Act, 1956.

Depreciation is provided on pro-rata basis from the day on which the assets have been put to use and up to the day on which assets have been disposed off.

The software asset is depreciated at the rates higher than that specified in schedule XIV based on useful life of assets, which is estimated by the management as three years.

The project assets are depreciated at rates higher than that specified in schedule XIV based on useful life of assets, which is estimated by the management as five years.

The management estimate useful life for fixed assets as under;

Asset	Estimated useful life of asset
Computer Equipment	5 to 6 years
Plant and Machinery	6 to 21 years
Software Assets	3 years
Furniture and Office equipments	3 to 9 years
IPR / Know-how	3 years
Vehicles and Other assets	9 to 11 years
Project Assets	5 years

6. INVESTMENTS

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments are carried at cost less provision made, if any, for the decline in the value of such investments.

7. INVENTORIES

Stock-in-trade is valued at lower of cost and net realizable value. Cost is determined on Weighted Average Method basis.

8. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions during the year are translated at the exchange rates prevailing on the respective date of transactions.

Assets and Liabilities outstanding in foreign currency as on the date of the Balance Sheet are translated at exchange rates prevailing as on the last day of the relevant financial year. Differences arising out of such translations are charged to the respective revenue accounts.

The operations of the company's overseas branches are considered integral in nature and the balances/and transactions of the branches are translated using the aforesaid principle.

9. PROVISION FOR TAXATION

Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961.

Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. Provision for Deferred Tax Liability is provided on timing differences. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

10. LEASES

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into

agreement. The payments are made to the HP vendors as per the EMI's given in the hire purchase agreements. The finance charges are debited to the profit & loss statement and the principal amount is adjusted against the liability created for the vendor.

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

11. RETIREMENT BENEFITS

Provident Fund:

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company makes monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

Gratuity:

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

12. BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

13. CASH FLOW STATEMENT

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

14. EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with the Accounting Standards – 20- 'Earnings per Share'.

15. SEGMENT REPORTING

The entire operations of the company related to one segment, i.e., network product and related services and hence segment reporting is not applicable for this year.

16. IMPAIRMENT OF ASSETS

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

17. PROVISION AND CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

B. Notes on Accounts

1. A) SHARE WARRANT

i) Share Warrant 2007 – 08

During the year ended March, 31, 2008 the company had allotted 10,00,000 convertible equity share warrants to one of the promoter of the company entitling to obtain allotment. The holder of the said equity warrants have had the option to apply for and be allotted one equity share of the company per equity warrant at any time after the allotment but on or before the expiry of 18 months from the date of allotment of the warrant. Further in case the investors who do not opt for conversion of the warrants, the upfront amount so paid stands forfeited by the Company and all the rights attached to the warrants lapse automatically. None of the warrant holders exercised the option to convert any of the aforesaid warrants till the last date of conversion within 18 months from their respective entitlements. Accordingly, during the financial year under review, the Company forfeited the amount of Rs 2,01,00,000. This amount has been credited to Capital Reserve Account.

ii) Share Warrant 2009 – 10

96,68,000 partly paid share warrants of Rs. 18 had been converted into Equity Shares of Re.1 at a premium of Rs 17 on 18th October, 2010.

B) SECURED LOANS

The working capital facilities from banks are secured by first charge on the Fixed Assets land & building of the Company and further secured by inventories, book debts and all other assets of the company. The loan is also personally guaranteed by the directors of the company in their personal capacity.

The term loan borrowed from banks is secured against by pari – passu charge on all Fixed Assets, inventories, book debts and equitable mortgage of land & buildings and other assets of the company.

C) UNSECURED LOANS

Vehicle loans from banks financial institutions are secured by the hypothecation of respective vehicles as per the Hire purchase agreement and the company holds the ownership on those vehicles is subject to the Hire Purchase agreements. As at the year end all vehicle loans were closed.

Unsecured loans from others represent the loan amount borrowed under FCCB as per the regulations of RBI.

2) DEFERRED TAX LIABILITY

The provision for deferred tax liability for the year ended March 31, 2011 has been made in accordance with Accounting Standard 22 on Accounting for Taxes on Income. The Deferred Tax Liability as at March 31, 2011 is on account of Depreciation of Rs.3522.39 Lakhs and the Deferred Tax Assets as at 31st March, 2011 is on account of timing difference on provision for Gratuity of Rs.5.59 Lakhs.

3) FOREIGN EXCHANGE TRANSACTIONS

a) The following are the transactions in Foreign Exchange: -

Particulars	2010-11 Rs in lakhs	2009-10 Rs in lakhs
F.O.B. Value of imports	10733.71	1711.27
Earnings in Foreign Exchange	NIL	NIL
Expenditure in Foreign Currency on account of Administrative expenses	3.25	2.33
Unsecured Loan –Interest on FCCB	102.33	552.83

4) LEASE

All operating leases entered into by the company are cancelable on giving a notice of one to three months.

The lease rentals paid during the year and the future lease obligations of HP EMI's for agreements in vogue as on March 31, 2011 are as follows:

(Rs. in Lakhs)

Lease rentals paid (including HP EMI's)	31st March, 2011	31st March, 2010
Lease rentals paid during the year	86.19	59.90
Future lease obligations	As at 31st March, 2011	As at 31st March, 2010
Due within 1 year from the balance sheet date	86.19	NIL
Due between 1 and 5 years	NIL	NIL
Due after 5 years	NIL	NIL

5) CONSUMPTION OF RAW MATERIALS AND COMPONENTS

Materials consumed

Particulars	2010-11 Rs in lakhs	2009-10 Rs in lakhs
Value of Imported Material Consumed	10733.71	1711.27
% of Above to Total Consumption	43.33%	13.79%
Value of Indigenous Material Consumed	14030.63	10696.81
% of Above to Total Consumption	56.67%	86.21%

Other information required as per paragraph 3,4C & 4D of part II of Schedule VI are not given as the company deals in numerous items and the nature of business is networking products and services.

6) RETIREMENT BENEFITS

During the year the Company has started contributing to Group Gratuity scheme with LIC of India to cover all eligible employees. As per the actuarial valuations as on 31st March 2011 and recognised in the financial statements in respect of employee benefit schemes as details furnished by LIC is given below :-

(Rs. in Lakhs)

	PARTICULARS	Funded
(i)	Assumptions	%
	Discount Rate	8.00%
	Rate of Return on Plan Assets	8.00%
	Attrition rate	1 - 3%
	Salary Escalation	5.00%
(ii)	Table Showing Change in present value of obligation as on 31/03/2011	
	Present value of obligation as at beginning of the year	45.56
	Interest Cost	3.65
	Current Service Cost	13.04
	Benefit Paid	0.00
	Actuarial (gain) / Loss on obligations	(11.04)
	Present value of obligation as at end of the year	51.21

(iii)	Table Showing Change Fair value of Plan Assets as on 31/03/2011	
	Fair Value of Plan Assets at the beginning of the year	0.74
	Expected Return on Plan Assets	0.06
	Contributions	0.00
	Benefit Paid	0.00
	Actuarial Gain /(Loss) on plan Assets	0.00
	Fair Value of Plan Assets at the end of the year	0.80
(iv)	Table Showing Fair value of Plan Assets	
	Fair Value of Plan Assets at the beginning of the year	0.74
	Actual Return on Plan Assets	0.06
	Contributions	0.00
	Benefit Paid	0.00
	Actuarial gain / (loss) on Plan Assets	0.00
	Fair Value of Plan Assets at the end of the year	0.80
	Funded status	(50.41)
	Excess of actual over estimated return on plan assets	0.00
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
(v)	Actuarial Gain /Loss recognized as on 31/03/2011	
	Actuarial (Gain) /Loss on obligation	11.04
	Actuarial (Gain) /Loss for the year – plan assets	0.00
	Actuarial (Gain) /Loss on obligations	(11.04)
	Actuarial (Gain) /Loss recognized in the year	(11.04)
(vi)	The amounts to be recognised in the balance sheet and statements of Profit and loss	
	Present value of obligation as at end of the year	51.21
	Fair Value of Plan Assets at the end of the year	0.80
	Funded status	(50.41)
	Net asset/ (liability) recognized in balance sheet	50.41
(vii)	The amounts to be recognised in statements of Profit and loss	
	(i) Current Service Cost	13.04
	(ii) Interest Cost	3.65
	(iii) Expected Return on Plan assets	(0.06)
	(iv) Net Actuarial (Gain) / Loss to be Recognised	(11.04)
	(v) Expense Recognized in Profit & Loss A/c	5.59

Investment details of plan assets:

The Plan assets are maintained by Life Insurance Corporation Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the company and have not been disclosed.

As per the policy of the company employees are not entitled for leave encashment.

PF & ESI expenses are recognized in the accounts at the actual cost to the company which is deposited with the appropriate Government authorities. Apart from this contribution, the company has no other obligation to provide for in the books.

7) AUDIT FEES

Particulars	2010-11 Rs. In lakhs	2009-10 Rs. In lakhs
Statutory Audit (inclusive of service tax)	8.27	8.27
Tax Audit (inclusive of service tax)	2.76	2.76
Total	11.03	11.03

8) MANAGERIAL REMUNERATION

REMUNERATION TO DIRECTORS:

Nature of Remuneration	Rs. In Lakhs							
	Chairman R.Ramkumar		Director R. Vijaykumar		Managing Director B.Sreekrishna		Director B. Srinivasan	
	2010-11	2009 - 10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Salary	12.00	12.00	12.00	12.00	3.00	12.00	10.80	10.80
Gratuity Provided	0.23	0.23	0.23	0.23	0.06	0.23	0.23	0.23
Contribution to PF and other funds	0.09	0.09	0.09	0.09	0.02	0.09	0.09	0.09
Total	12.32	12.32	12.32	12.32	3.08	12.32	11.12	11.12

*Note: Mr. B. Sreekrishna Managing Director has been paid salary paid up to 30th June 2010

Computation of managerial remuneration in accordance with Section 349 of the Companies Act, 1956

Particulars	Rs. In Lakhs	
	Year ended March, 2011	Year ended March, 2010
Net profit after tax	979.34	834.70
Whole-time Directors' remuneration	38.84	46.80
Provision for taxation	305.58	694.27
Net profit as per section 198 of the Companies Act	1323.76	1575.77

The total remuneration provided in the accounts is within permissible limit as per the Companies Act, 1956.

9) SEGMENT REPORTING

The entire operations of the company relates to one segment viz., network product and related services.

10) RELATED PARTY DISCLOSURE

TRANSACTIONS WITH RELATED PARTIES:

Key Management Personnel

- o R. Ram Kumar – Chairman
- o B. Sreekrishna – Managing Director
- o R. Vijay Kumar – Director
- o B. Srinivasan – Director

Other Non – Executive Directors

- o Eswaran Annamalai
- o K. Hariharan - upto 03/05/2010
- o L. Satyanarayan
- o V.K.Venugopal - from 03/05/2010
- o Hari Sethuraman

Name of the Key Management Personnel	Relationship	Nature of Payment	Amount Rs. in lakhs	
			2010-11	2009-10
R Vijay Kumar	Director	Salary	12.00	12.00
R Ram Kumar	Chairman	Salary	12.00	12.00
B Sreekrishna	Managing Director	Salary	3.00	12.00
B. Srinivasan	Director	Salary	12.00	10.80
R Ram Kumar	Chairman	Lease Rent	2.00	2.00
R Ram Kumar	Chairman	Lease Advance Outstanding (as at year end)	28.00	30.00

Subsidiary & Associate Companies

- o Gemini Traze RFID Private Limited (RFID) (100% Subsidiary)
- o PointRed Telecom Limited (Pointred) (100% Subsidiary)
- o Gemini Infotech Limited, Hong Kong (100% Subsidiary)
- o PR Wireless Tech Limited, Hong Kong (100% Subsidiary of Pointred)
- o Veeras Infotek Private Limited (51% Subsidiary of Gemini Infotech Limited)
- o Gemini Geoss Energy Private Ltd (100% Subsidiary)

Summary of Transactions with the above-related parties are as follows

Rs. In Lakhs

Name of Transaction	Transactions for the Period Ended		Balances outstanding as at	
	31st March 2011	31st March 2010	31st March 2011	31st March 2010
Loan Given to RFID	152.12	86.39	15.46	95.32
Purchases from RFID	0.66	4.97	3.31	4.01
Sales to RFID	2452.34	NIL	NIL	NIL
Loan Given to Pointred	3602.85	2099.15	5080.55	1477.69
Purchases from Pointred	16290.03	3620.63	19912.70	2582.71
Sales to Pointred	7.69	NIL	NIL	NIL
Sales to Veeras Infotek Pvt. Ltd	1075.84	NIL	8.57	NIL
Purchases from Veeras Infotek Pvt. Ltd	262.79	140.87	14.22	132.99
Advance to Veeras Infotek Pvt. Ltd	NIL	1.40	NIL	1.40
Purchases from PR Wireless Tech Ltd	NIL	2090.48	769.68	1059.91
Advance to PR Wireless Tech Ltd	NIL	247.63	NIL	247.63
Advance to Gemini Infotek Ltd	NIL	0.20	NIL	0.20
Advance from Gemini Infotek Ltd	NIL	NIL	NIL	NIL
Loan given to Gemini Geoss Energy Pvt. Ltd	117.84	NIL	117.84	NIL

- 11) The company is in the process of identification of Micro, Small and Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006.
- 12) The estimated amount of contracts remaining to be executed on account of Capital account as at 31st March 2011: Nil
- 13) Bank Guarantees outstanding as on 31.03.2011 is Rs.5022.48 Lakhs (P.Y 506.45 Lakhs) and the company has extended corporate guarantee to the banks for loans obtained by subsidiary companies. The Bank Guarantee are secured by properties of subsidiary company.
- 14) **Contingent Liabilities**
- a) The revision demand for A.Y 2001 – 02 amounting to Rs.5.33 Lakhs is pending for payment.
- b) The company's Income tax appeal for Assessment Year 2002 – 03 was partially allowed in favor of the company by ITAT. For the balance demand of Rs.10.45 Lakhs the company has filed appeals before Honorable High Court of Madras. Against this, the company has paid a sum of Rs.4.00 Lakhs under protest. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
- c) The Income Tax department has made an order for the Asst. Year 2006-07 demanding a sum of Rs.419.69 Lakhs which is stayed by the Honorable High Court of Madras. The tax demand is on account of disallowance of deduction u/s.80IC claimed by the company. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts
- d) Assessment Year 2007 – 08 the A.O made an order u/s 143(1)(a) demanding Rs. 62.07 lakhs for disallowance of TDS certificates for which the company has filed rectification petition before the A.O. Considering the company's chance of reduction in demand the amount has not been provided for.
- e) AO made an order, for the Assessment Year 2008 -09 u/s 143(1) demanding a sum of Rs.344.31 lakhs, which was disputed before High Court of Chennai and as per the directions of High Court the company has preferred representation before the A.O for rectification / modification. Considering the company's chance of success the amount has not been provided for. Further a demand by AO for the AY 2008-09 under section 143(3) demanding a sum of Rs 29.38 Lacs vide order dt 1st March 2011 and Rs 1.84 Lacs towards FBT demand raised vide order under section 115WE(3) dt 31.12.2010
- f) The Central Excise department has made an order demanding a sum of Rs.56.80 Lakhs for the year 2000-01 against which the company has filed an appeal before CCE (A). Considering the company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
- g) Following Corporate guarantees have been given to Point Red Telecom Ltd, a group company:
- Rs 50 Crores in favour of L&T Infrastructure Finance Company Ltd (NBFC) towards term loan facilities
 - Rs 90 Crores in favour of Punjab National Bank towards working capital facilities
 - Rs 16.50 Crores in favour of State Bank of India towards Working capital facilities
 - Rs 50 Crores in favour of Central Bank of India Limited towards working capital facilities
- h) A Corporate guarantee has been given to Veeras Infotek Pvt Ltd to the tune of Rs 58.75 Lakhs in favour of EASYACCESS Financial Services Ltd towards Credit facility availed from Redington India Ltd for purchase of equipments.
- 15) Obtaining of Confirmation of balances from Sundry Debtors, Sundry Creditors, Loans & Advances, Deposits & Other Current Assets are pending. Considering the huge volume of Government Departments outstanding not being confirmed by the respective departments, the confirmations and reconciliation of balances as on 31st March, 2011 is still in progress.
- 16) In the opinion of the Management, all current assets including Sundry Debtors, Loans & Advances, Deposits and Other Current Assets are realizable in the ordinary course of the business at the values stated.

- 17) The company has appointed Branch Auditors u/s 228 of the Companies Act to audit the accounts of the overseas branches. The Branch Audit reports on the accounts of the branches have been obtained, which are included in the financials of the Company under report.

18) Earnings Per Share

Particulars	As at 31st March 2011	As at 31st March 2010
Profit available to Equity Share holders used as Numerator - (A) In Rs.	9,79,34,899	8,34,70,475
Number of Shares outstanding	10,68,98,000	1,001,42,900
Weighted Average Number of shares outstanding - (B)	10,31,78,068	9,76,34,582
Effect of dilution on issue of share warrants and 6% Convertible Bonds - (C)	Refer note - a below	4,06,03,400
Weighted Average No. of Equity Shares including potential shares - (D)	10,31,78,068	13,82,37,982
Adjusted PAT for Dilution of Convertible Bonds (E)	9,79,34,899	11,99,65,326
Earnings per share (Basic) - (A/ B) In Rs.	0.95	0.86
Earnings per share (Diluted) - (E / D) In Rs.	0.95	0.86

Note:- The FCCB'S outstanding as at 31st March 2011 are anti dilutive and hence ignored for the purpose of computing diluted earning per share

19) INVESTMENTS

Considering Long Term nature of Investments in shares of subsidiary companies, the investments are carried at cost. No provision has been made for any temporary diminution in value of such investments.

Investment in Subsidiaries (Non-trade, unquoted and valued at cost, Long term)

Sl. No	Name of the Company	Particulars	No. of shares held	Cost per Share (Rs.)	Market value (Rs.)
1	PointRed Telecom Ltd.	Equity shares of Rs.10/- each	1,01,31,100	2062.20	N.A
2	Gemini Traze RFID Pvt. Ltd.	Equity shares of Rs.10/- each	56,85,000	10.00	N.A
3	Gemini InfoTech Limited, Hong Kong	Equity Shares of HK\$1 each	379,101,852	6.31	N.A
4	Gemini Geoss Energy Pvt. Ltd.	Equity Shares of Rs. 10/- each	10,000	10	N.A

- 20) The company raised money by issue of 6% Unsecured Convertible Bonds due in 2012 (FCCB) amounting to € 15,000,000 during July 2007. The terms of the issues as per the offer document includes:

- Issue date 17.07.2007 and maturity date 18.07.2012
- Conversion price is Rs. 102.62(of Re 1/- each) (subject to adjustment to conversion price) with a fixed rate of exchange of conversion of Rs.54.87 per € 1. As per this the conversion price has been reset to 83.36 (of Re 1/- each).
- Conversion price is subject to suitable adjustment for the issue of bonus, subdivision and capitalization of reserves etc. The maximum adjustment to conversion price is subject to SEBI approved minimum conversion price, i.e., floor price of Rs. 416.80 per share.
- The bonds can be converted at the option of the company at any time on or after 3 years from the issue date.
- The bond holders have the option to redeem the bonds, subject to other conditions as under

Early redemption period on or before	Early redemption amount for each € 1,00,000
17.07.2007	1,00,000.00
17.01.2008	1,00,436.94
17.07.2008	1,00,888.89
17.01.2009	1,01,356.38
17.07.2009	1,01,839.94
17.01.2010	1,02,340.11
17.07.2010	1,02,857.48
17.01.2011	1,03,392.62
17.07.2011	1,03,946.16
17.01.2012	1,04,518.73
17.07.2012	1,05,110.97
18.07.2012	1,05,131.04

- Up to the year ended 31.03.2011, the bond holders have not exercised conversion option or not opted for early redemption.
- 21) Balance in the other banks (Non Scheduled Banks) represents the balances with RBS Coutts Bank Von Ernst Ltd, Singapore.
- In Current Account outstanding and Maximum Balance held at any time during the year is Rs.7.22 Lakhs. None of the Directors are interested in the above bank.
- 22) Sundry Debtors include amount due from subsidiary companies amounting to Rs. Nil (P.Y Rs. Nil).
- 23) Sundry Creditors include an amount of Rs.19916.00 Lakhs (P.Y Rs. 2191.78 Lakhs) due to subsidiary Companies.
- 24) Figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.

Balance Sheet Abstract and Company's General Business Profile

	(Rs. In Lakhs)	
(I) REGISTRATION DETAILS:		
Registration No.	0030087	
State Code	18	
Balance Sheet Date	31-03-2011	
(II) CAPITAL RAISED DURING YEAR		
Public Issue	NIL	
Right's Issue	NIL	
Bonus Issue	NIL	
Private Placement	1,215.92	
GDR Issue	NIL	
(III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:		
Total Liabilities	32,166.17	
Total Assets	32,166.17	
SOURCES OF FUNDS		
Paid-up Capital	1,068.98	
Reserves & Surplus	11,049.55	
Secured Loans	10,615.15	
Unsecured Loans	8,233.49	
APPLICATION OF FUNDS:		
Net Fixed Assets	8,827.24	
Investments	5,578.85	
Net Current Assets	17,760.08	
Deferred Tax Liabilities	1,199.00	
Misc. Expenditure	NIL	
Accumulated Losses	NIL	
(IV) PERFORMANCE OF COMPANY		
Turnover	35,203.51	
Total Expenditure	33,918.58	
Profit Before Tax	1,284.93	
Profit After Tax	979.35	
Earnings Per Share in Rs.	0.95	
Dividend Rate %	10%	
(V) GENERIC NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY		
Item	Code No (ITC code)	Product Description
1	'851730.05	Networking Equipments

Statement of Cash Flow for the year ended 31st March, 2011

(Rs. in Lakhs)

	Year ended 2011	Year ended 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year before tax	1,284.93	1,528.98
Adjustment for Depreciation	2,445.70	2,123.15
Interest Paid	2,580.61	2,383.62
Interest Received	(48.28)	(43.41)
Profit on Sale of Furniture	-	-
Provision for Bad Debts	-	212.42
Exchange differences on translation of foreign currency cash & cash equivalents	(2.71)	48.92
Operating Profit before working Capital Changes	6,260.25	6,253.70
CHANGES IN CURRENT ASSETS & CURRENT LIABILITIES:		
Adjustments for Trade & other receivables		
Decrease (increase) in Sundry debtors	(7,363.93)	(2,559.39)
Decrease (increase) in Inventories	(3,522.52)	(844.86)
Decrease (increase) in Other current assets	464.03	(652.14)
Decrease (increase) in Loans and advances (excluding Adv. for Share Capital)	(3,214.93)	(4,639.62)
Increase (Decrease) in current liabilities	15,577.93	4,205.37
Cash Generated from / used in Operating Activities	8,200.83	1,763.06
Direct Taxes Paid	-	(103.08)
Net Cash Provided by Operating Activities	(a) 8,200.83	1,659.98
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,794.20)	(2,879.35)
Purchase of Long Term Investments	(1.00)	-
Proceeds from Sale of Fixed Assets	-	-
Interest Received	48.28	43.41
	(b) (1,746.92)	(2,835.94)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease in Loans) net of repayments	(3,921.28)	2,756.05
Proceeds from issue of Share Warrants / Shares (including premium)	909.69	839.55
Interest Paid	(2,580.61)	(2,383.62)
Dividend Paid	(58.33)	(48.59)
	(c) (5,650.53)	1,163.39
D EXCHANGE DIFFERENCE:		
Exchange difference on translation of foreign currency cash & cash equivalents (d)	2.71	48.92
Total increase (decrease) in cash and cash equivalents during the year (a+b+c+d)	806.09	(61.50)
Cash and equivalents at the beginning of the year	836.26	897.76
Cash and equivalents at the end of the year	1,642.35	836.26

As per Our Report of even date
For M/s P. Chandrasekar
Chartered Accountants

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Director

P. Chandrasekaran
Partner
Membership No - 26037
Firm No - 000580S
Place : Chennai
Date : 18th July, 2011

R. VIJAY KUMAR
Managing Director

CONSOLIDATED FINANCIALS
IN EVERY INITIATIVE & BUSINESS OF OURS



Auditor's Report

Auditors' Report to the Board of Directors of Gemini Communication Limited on the Consolidated Financial Statements of Gemini Communication Limited and its Subsidiaries:

1. We have audited the attached Consolidated Balance Sheet of Gemini Communication Limited as at 31st March, 2011, the Consolidated Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 13473.73 lakhs as at March 31, 2011 and total revenues of Rs. 17224.54 lakhs and total cash inflows of Rs.58.19 lakhs (net) for the year ended on that date considered in the consolidated financial statements. These financial statements and other financials information have been audited by other auditors whose reports have been furnished to us and in our opinion in respect thereof is based solely on the reports of such other auditors.

We report that, the consolidated Financial

4. Statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, and on the basis of the separate audited financial statements of Gemini Communication Ltd and its subsidiaries included in Consolidated Financial Statements.

5. On the basis of information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of Gemini Communication Ltd and its subsidiaries, we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. in the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of Gemini Communication Ltd and its Subsidiaries as at 31st March, 2011;
 - b. in the case of the consolidated Profit & Loss account, of the PROFIT for the year ended on that date; and
 - c. In the case of Consolidated Cash Flow, the Cash Flows for the year ended on that date.

For P.Chandrasekar
CHARTERED ACCOUNTANTS

Place: Chennai
Date: 18th July, 2011

PARTNER - P.Chandrasekaran
Membership No: 26037
Firm No: 000580S

Consolidated Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	Schedule	As at 31-03-2011		As at 31-03-2010	
I) SOURCES OF FUNDS					
(1) Shareholder's Funds:					
a) Capital	1	1,068.98		1,001.43	
b) Share Warrant (Refer Note)	1A	-		507.23	
c) Reserves and Surplus	2	20,149.75	21,218.73	12,555.79	14,064.45
(2) Minority Interest			214.05		173.64
(3) Loan Funds:					
a) Secured Loans	3	31,341.24		16,246.25	
b) Unsecured Loans	4	8,444.28	39,785.52	8,576.28	24,822.53
(4) Deferred Tax Liability	14		1751.58		1,213.95
TOTAL			62,969.88		40,274.58
II) APPLICATION OF FUNDS					
(1) Good Will			470.65		470.65
(2) Fixed Assets:	5				
a) Gross Block		26,355.43		20,166.84	
b) Less: Depreciation		11,379.93		7,497.18	
c) Net Block		14,975.51		12,669.66	
d) Capital Work in Progress		46.07	15,021.58	-	12,669.66
(3) Investments	6				
(4) Current Assets, Loans and Advances:					
a) Inventories	7	9,222.82		3,840.23	
b) Sundry Debtors	8	38,765.63		25,851.71	
c) Cash and Bank Balances	9	3,667.94		1,490.58	
d) Other Current Assets	10	3,194.72		2,574.19	
e) Loans and Advances	11	5,575.49		4,042.38	
		60,426.61		37,799.10	
Less: Current Liabilities and Provisions:					
a) Liabilities	12	11,880.25		10,236.09	
b) Provisions	13	1,068.69		428.74	
Net Current Assets		12,948.95	47,477.66	10,664.83	27,134.27
TOTAL			62,969.88		40,274.58

As per Our Report of even date
For M/s P. Chandrasekar
Chartered Accountants

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Director

P. Chandrasekaran
Partner
Membership No - 26037
Firm No - 000580S
Place : Chennai
Date : 18th July, 2011

R. VIJAY KUMAR
Managing Director

Consolidated Profit and Loss Account for the Year Ended 31st March, 2011

(Rs. in Lakhs)

	Schedule	For the year ended 31-03-2011	For the year ended 31-03-2010
INCOME			
Sales income from Network Product & Services		55,065.89	34,946.09
Other income	15	547.30	131.96
Increase / (Decrease) in Stock	16	5,382.58	989.81
		60,995.77	36,067.86
EXPENDITURE			
Cost of Material & Project expenditure		41,379.30	22,746.77
Salaries & Staff Welfare	17	3,073.27	2,247.24
Administrative Expenses	18	1,138.29	1,408.54
Selling & Distribution Expenses	19	40.36	80.96
Depreciation	5	3,735.82	3,118.79
		49,367.04	29,602.30
PROFIT BEFORE INTEREST & TAX			
Less: Interest & Financial Charges		11,628.73	6,465.56
		4,112.82	2,481.51
PROFIT BEFORE TAX			
Less: Provision for Current Tax & Wealth Tax		7,515.90	3,984.05
Adj: Provision for Deferred Tax		561.35	309.10
		537.43	412.27
PROFIT AFTER TAX			
Less: Provision for Minority Interest		6,417.13	3,262.68
Available for Appropriation		(39.35)	(36.40)
		6,377.78	3,226.28
Proposed Dividend @ 10% (P. Y 5%)		106.90	50.07
Tax on Dividend @ 16.609%		26.30	8.51
		133.19	58.58
BALANCE OF PROFIT CARRIED TO BALANCE SHEET			
Basic EPS		6.22	3.34
Diluted EPS		6.22	2.62

As per Our Report of even date
For M/s P. Chandrasekar
Chartered Accountants

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Director

P. Chandrasekaran
Partner
Membership No - 26037
Firm No - 000580S
Place : Chennai
Date : 18th July, 2011

R. VIJAY KUMAR
Managing Director

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE - 1 : CAPITAL:		
SHARE CAPITAL		
Authorised:		
15,00,00,000 Equity Shares of Rs. 1/- each (P.Y 3,00,00,000 Equity Shares of Rs. 5/- each (Refer Note))	1500.00	1500.00
ISSUED, SUBSCRIBED & PAID-UP:		
10,68,98,000 Equity Shares of Rs. 1/- each (P.Y. - 10,01,42,900 Equity Shares Rs. 1/- each) (of the above 96,68,000 Shares were issued as fully paid bonus Shares during the year 2007-2008 by capitalising Profit & Loss A/c) (of the above 67,55,100 Equity Shares of Re.1/- each were issued on a preferential allotment to the warrant holders during the year 2010-11)	1,068.98	1,001.43
	1,068.98	1,001.43
SCHEDULE - 1A : SHARE WARRANT (Refer Note 1)		
a) Advance Received for Share Warrant - 2007-08	-	201.00
b) Advance Received for Share Warrant - 2009-10	-	306.23
	-	507.23
SCHEDULE - 2 : RESERVES AND SURPLUS:		
a) Securities Premium Amount	2,985.69	2,482.00
Add: Current year receipts	1,148.37	503.69
	4,134.06	2,985.69
b) Capital Profit		
On Reissue of Forfeited Shares	3.79	3.79
On Forfeited of Shares Warrents	201.00	-
As per Last Year Balance Sheet	204.79	3.79
c) GENERAL RESERVE:		
As per Last Year Balance Sheet	498.86	498.86
Add: Transfer from Profit & Loss Account	-	-
	498.86	498.86
d) Profit and Loss Account as per Last Year	9,067.44	5,899.74
Add: Transfer from Profit & Loss Account	6,244.59	3,167.70
	15,312.03	9,067.44
TOTAL (a+b+c+d)	20,149.75	12,555.79
SCHEDULE - : LOAN FUNDS:		
SCHEDULE -3 : SECURED LOANS		
From Bank - Cash Credit	11,623.28	4,647.76
- LC	9,838.25	1,393.09
- Term Loan	9,879.72	10,205.40
	31,341.24	16,246.25
SCHEDULE -4 : UNSECURED LOANS		
6% Convertible Bonds 2012 (Refer Note. 17)	8,230.50	8,230.50
From Others	213.78	345.78
	8,444.28	8,576.28

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE - 7 : INVENTORIES: (Valued at cost or net realisable value and as certified by the management)		
Stock in Trade	9,222.82	3,840.23
	9,222.82	3,840.23
SCHEDULE - 8 : SUNDRY DEBTORS: (Considered good for which the company holds no security other than debtors personal security)		
Outstanding over six months		
Considered Good	23,282.23	15,403.51
Considered Doubtful	-	212.42
	23,282.23	15,615.93
Other debts	15,483.40	10,448.20
Less: Provision for Doubtful debts	-	212.42
	38,765.63	25,851.71
SCHEDULE - 9 : CASH AND BANK BALANCES:		
Cash on Hand	3.92	5.76
Balance with Scheduled Bank		
In current Accounts	1,156.19	163.02
In Unpaid Dividend Accounts	10.06	9.85
In Margin for LC / BG	2,484.57	1,067.12
In Fixed Deposit Accounts	-	227.33
Balance with Non-Scheduled Banks		
In Current Accounts	13.21	17.51
	3,667.94	1,490.58
SCHEDULE - 10: OTHER CURRENT ASSETS:		
Telephone & Rent Deposits	60.71	50.24
EMD & Security Deposits	460.72	443.48
Other Current Assets	1,904.24	1,250.44
Prepaid Expenses	169.39	492.00
Advance Income Tax & TDS	599.66	338.03
	3,194.72	2,574.19
SCHEDULE - 11: LOANS AND ADVANCES: (Considered Good for which the company holds no security other than personal security)		
Advances to Subsidiary Companies	-	-
Advances Recoverable in Cash or in Kind	1,017.89	1,574.96
Trade Advances	4,557.60	2,467.42
	5,575.49	4,042.38
SCHEDULE - 12: LIABILITIES:		
Sundry Creditors	9,100.07	7,178.88
Other Liabilities	2,129.79	1,470.46
Advance received from customers	650.40	1,586.75
	11,880.25	10,236.09

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2011

(Rs. in Lakhs)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE - 13: PROVISIONS:		
Proposed Equity Dividend	106.90	50.07
Tax on Proposed Equity Dividend	26.26	16.77
Provision for Income Tax & Wealth Tax	870.82	315.35
Provision for Fringe Benefit Tax	0.99	0.99
Provision for Gratuity	63.72	45.56
	1,068.69	428.74
SCHEDULE - 14: DEFERRED TAX LIABILITIES:		
As per last Balance Sheet	1214.16	801.68
Adj: for the year from profit & loss account	537.43	412.27
	1751.58	1213.95

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in Lakhs)

	For the year ended 31-03-2011	For the year ended 31-03-2010
SCHEDULE - 15: OTHER INCOMES:		
Interest received from Banks	127.89	17.72
Commission & Other Incomes	101.94	76.05
Exchange Rate Difference Gain	317.18	35.28
Profit on Sales of Asset	0.29	2.91
	547.30	131.96
SCHEDULE - 16: INCREASE / DECREASE IN STOCKS:		
Opening Stock	3,840.23	2,850.43
Closing Stock	9,222.82	3,840.23
Increase in Stock	5,382.58	989.81
SCHEDULE - 17: SALARIES & STAFF WELFARE:		
Salaries, Wages & Bonus	2,766.60	2,022.96
PF Contribution, ESI	158.67	108.48
Incentive	-	0.30
Staff Welfare	41.62	23.08
Directors Remuneration	98.93	46.80
Gratuity	5.59	45.92
Leave Encasement	1.86	-
	3,073.27	2,247.54
SCHEDULE - 18: ADMINISTRATION EXPENSES:		
Rent	136.99	97.28
Electricity	36.74	34.18
Traveling & Conveyance	168.20	153.59
Postage & Telephone Charges	202.65	192.47
Repairs & Maintenance - Vehicles	6.39	4.48
Repairs & Maintenance - Others	7.49	10.23
Books & Periodicals	0.04	0.13
Product Certification Charges	4.48	195.97
Printing & Stationary	11.71	11.17
Training Expenses	11.31	24.66
Audit Fee	21.06	15.46
Donation	0.05	0.35
Consultancy Charges	168.11	174.14
Insurance Premium	22.14	16.74
Legal Fees	11.54	4.50
Office Maintenance	50.56	35.52
Secretarial Expenses	15.76	24.07
Rates & Taxes	28.33	0.94
Carriage Expenses	23.66	39.49

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

(Rs. in Lakhs)

	For the year ended 31-03-2011	For the year ended 31-03-2010
Sundry Expenses	207.09	167.76
Provision for Doubtful Debts	-	149.97
Exchange Rate Difference Loss	0.17	49.83
Bad Debts Written Off	3.76	5.63
Loss on Sale of Fixed Asset	0.03	-
Preliminary Expenses Written Off	0.03	-
	1,138.29	1,408.54
SCHEDULE - 19: SELLING & DISTRIBUTIONS:		
Advertisement Expenses	3.25	2.99
Business Promotion Expenses	29.94	36.69
Commission, Discount, etc	7.17	41.28
	40.36	80.97

Schedule Forming Part of the Consolidated Balance Sheet as at 31st March, 2011
Schedule - 5 Fixed Assets

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	As at 01.04.2010	Addition during the year	Deletion during the year	As at 31.03.2011	As at 01.04.2010	For the Year	Deletion during the year	As at 31.03.2011	As at 31.03.2010
LAND & BUILDING:									
Land	674.20	-	-	674.20	-	-	-	674.20	674.20
Land - Lease hold	40.12	-	-	40.12	1.04	0.41	-	38.68	39.08
Building	508.16	-	-	508.16	24.98	8.28	-	474.89	483.18
PLANT & MACHINERY:									
Computer Machinery	1661.36	86.01	1.12	1,746.25	845.01	259.05	0.93	643.11	816.35
Networking Equipments	1760.64	66.83	-	1,827.47	239.98	87.93	-	1,499.55	1,520.66
Software	8867.16	2971.05	-	11,838.21	3,193.70	2,1885.20	-	6,455.95	5,673.46
FURNITURES & FIXTURES:									
Xerox Machine	1.26	-	-	1.26	1.26	-	-	0.00	0.00
Telephone	2.21	-	-	2.21	1.62	0.16	-	0.44	0.59
Furniture & Fixtures	287.97	14.86	0.00	302.84	74.36	24.50	-	203.98	213.61
Electrical Fittings	624.67	-	-	624.67	116.75	44.03	-	463.89	507.92
Modems	4.63	-	-	4.63	4.63	-	-	0.00	0.00
Office Equipments	49.45	22.23	0.00	71.68	27.29	9.33	-	35.06	22.16
UPS	48.10	-	-	48.10	22.14	3.55	-	22.42	25.96
PROJECT ASSETS:									
Computer Machinery	2053.93	25.69	-	2,079.63	988.46	413.08	-	678.09	1,065.48
Software	1242.28	1239.53	-	2,481.81	611.67	374.79	-	1,495.36	630.61
Electrical Fittings	1608.34	-	-	1,608.34	801.78	321.67	-	484.89	806.56
Dot Matrix Printers	86.53	-	-	86.53	44.98	17.31	-	24.24	41.55
Network Equipments	60.23	371.69	-	431.92	1.17	10.34	-	420.41	59.06
VEHICLES, ETC:									
Vehicles	116.72	-	0.25	116.47	27.49	21.69	0.15	67.45	89.23
INTANGIBLE ASSETS:									
IPR / Know-how	468.87	1392.07	-	1,860.94	468.87	99.16	-	1,292.91	-
TOTAL	20,166.84	6,189.97	1.37	26,355.43	7,497.18	3,883.83	1.08	14,975.51	12,669.66
PREVIOUS YEAR	14,315.83	5,883.56	32.55	20,166.84	4,403.35	3,118.79	24.96	12,669.66	9,912.48

Accounting Policies and Notes

SCHEDULE: 20 Notes on Accounts:

A. Significant Accounting Policies

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP), and all income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The financial statements comply with the applicable mandatory Accounting Standards.

2. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements ('the CFS') have been prepared on the following basis:

- a. The Financial Statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expense. The intra-group balances, intra group transactions and unrealized profits or losses have been eliminated fully.
- b. Share of profit/loss, assets and liabilities in the jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Company's equity interest in such entity. The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated to the extent of the Company's share in the entity.
- c. The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as 'goodwill', being an asset in the CFS. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves & Surplus'.
- d. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

Information on Subsidiary Companies, Associates

Name of the entity	Country of Incorporation	Ownership at March 31, 2011 held by	Status	% of ownership held either directly or through subsidiaries as at March 31, 2011	Date on which become subsidiary
Gemini Traze RFID Pvt. Ltd	India	Gemini Communication Ltd.	Subsidiary	100%	April 01, 2006
Pointred Telecom Ltd	India	Gemini Communication Ltd.	Subsidiary	100%	June 21, 2006
PR Wireless Tech Limited	Hong Kong	PointRed Telecom Ltd.	Subsidiary	100%	November 25, 2008
Gemini Infotech Limited	Hong Kong	Gemini Communication Ltd.	Subsidiary	100%	April 01, 2008
Gemini Geoss Energy Pvt. Ltd.	India	Gemini Communication Ltd.	Subsidiary	100%	January 27, 2011
Veeras Infotek Pvt. Ltd	India	Gemini Infotech Limited	Subsidiary	51%	June 20, 2008

3. REVENUE RECOGNITION

Revenues, in respect of revenue from network products and projects are recognized on completion of respective works contracts. In respect of fixed price service activities, revenue is recognized on time and materials basis. In respect of other contracts, revenue is recognized on the achievement of the milestones set out in the contracts.

The revenues from Services and Installation Charges are recognized on completion of respective works contract/s.

Income from Investments is recognized on receipt basis.

Interest is recognized using the Time-Proportion method, based on the rates implicit in the transaction.

4. USE OF ESTIMATES

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the year as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

5. FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include financing costs relating to borrowed funds attributable to acquisition up to the date the assets are ready for use.

6. DEPRECIATION

Depreciation is provided on straight-line method at the rates specified in SCHEDULE XIV to the Companies Act, 1956.

Depreciation is provided on pro-rata basis from the day on which the assets have been put to use and up to the day on which assets have been disposed off.

The software asset is depreciated at rates higher than that specified in schedule XIV based on useful life of assets, which is estimated as three years by the management.

The project assets are depreciated at rates higher than that specified in schedule XIV based on useful life of assets, which is estimated as five years by the management.

The management estimate useful life for fixed assets as under;

Asset	Estimated useful life of asset
Computer Equipment	5 to 6 years
Plant and Machinery	6 to 21 years
Software Assets	3 years
Furniture and Office equipments	3 to 9 years
IPR / Know-how	3 years
Vehicles and Other assets	9 to 11 years
Project Assets	5 years

7. INVESTMENTS

There are no Investments.

8. INVENTORIES

Stock-in-trade is valued at lower of cost and net realizable value. Cost is determined on Weighted Average basis.

9. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions during the year are translated at the exchange rates prevailing on the respective date of transactions.

Assets and Liabilities outstanding in foreign currency as on the date of the Balance Sheet are translated at exchange rates prevailing as on the last day of the relevant financial year. Differences arising out of such translations are charged to the respective revenue accounts.

The net gain / loss arising on revenue account during the year in respect of foreign exchange transactions are reckoned in the Profit and Loss Account.

10. PROVISION FOR TAXATION

- Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961.
- Provision for Wealth Tax is made in accordance with the provisions of Wealth Tax Act, 1957.
- Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. Provision for Deferred Tax Liability is provided on timing differences. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

11. LEASES

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into the agreement. The payments are made to the HP vendors as per the EMI's given in the hire purchase agreements. The finance charges are debited to the profit & loss statement and the principal amount is adjusted against the liability created for the vendor.

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

12. RETIREMENT BENEFITS

Provident Fund:

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's salary. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

Gratuity:

The Company provides for gratuity in accordance with the Payment of Gratuity Act, 1972, a defined benefit retirement plan (the Plan) covering all employees. The plan, subject to the provisions of the above Act, provides a lump sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

13. BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

14. CASH FLOW STATEMENT

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 “Cash Flow Statements”.

15. EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with the Accounting Standards – 20- ‘Earnings per Share’.

16. SEGMENT REPORTING

The entire operations of the company relates to one segment, i.e., network product and related services and hence segment reporting is not applicable for this year.

17. IMPAIRMENT OF ASSETS

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

18. PROVISION AND CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

B. Notes on Accounts

1)(A) SHARE WARRANT

i) Share Warrant 2007 – 08

During the year ended March, 31, 2008 the company had allotted 10,00,000 convertible equity share warrants to one of the promoter of the company entitling to obtain allotment. The holder of the said equity warrants have had the option to apply for and be allotted one equity share of the company per equity warrant at any time after the allotment but on or before the expiry of 18 months from the date of allotment of the warrant. Further in case the investors who do not opt for conversion of the warrants, the upfront amount so paid stands forfeited by the Company and all the rights attached to the warrants lapse automatically. None of the warrant holders exercised the option to convert any of the aforesaid warrants till the last date of conversion within 18 months from their respective entitlements. Accordingly, during the financial year under review, the Company forfeited the amount of Rs 2,01,00,000. This amount has been credited to Capital Reserve Account.

ii) Share Warrant 2009 – 10

96,68,000 partly paid share warrants of Rs.18 had been converted into Equity Shares of Re.1 at a premium of Rs 17 on 18th October,2010.

B) SECURED LOANS

The working capital facilities from banks are secured by first charge on the Fixed Assets land & building of the Company and further secured by inventories, book debts and all other assets of the company. The loan is also personally guaranteed by the directors of the company in their personal capacity.

The term loan borrowed from banks is secured against by pari – passu charge on all Fixed Assets, inventories, book debts, and equitable mortgage of land & buildings and other assets of the company.

The Loan from bank also represents the Letter Of Credit outstanding for purchases made and Case Credit. The loan is secured by hypothecation of all current assets, goods purchased under LC, Land & Building, personal guarantee of Directors R. Vijaykumar and R. Ramkumar.

C) UNSECURED LOANS

Vehicle loans from banks financial institutions are secured by the hypothecation of respective vehicles as per the Hire purchase agreement and the company holds the ownership on those vehicles is subject to the Hire Purchase agreements. As at the year end all vehicle loans were closed.

Unsecured loans from others represent the loan amount borrowed under FCCB as per the regulations of RBI.

2) DEFERRED TAX LIABILITY

The provision for deferred tax liability for the year ended March 31, 2011 has been made in accordance with Accounting Standard 22 on Accounting for Taxes on Income. The Deferred Tax Liability as at March 31, 2011 is on account of Depreciation of Rs.5212.57 Lakhs and the Deferred Tax Assets as at 31st March, 2011 is on account of timing difference on provision for Gratuity of Rs.18.10 Lakhs.

3) LEASE

All operating leases entered into by the company are cancelable on giving a notice of one to three months.

The lease rentals paid during the year and the future lease obligations of HP EMI's for agreements in vogue as on March 31, 2011 are as follows:

(Rs. in Lakhs)

Lease rentals paid (including HP EMI's)	31st March, 2011	31st March, 2010
Lease rentals paid during the year	86.19	59.90
Future lease obligations	As at 31st March, 2011	As at 31st March, 2010
Due within 1 year from the balance sheet date	86.19	NIL
Due between 1 and 5 years	NIL	NIL
Due after 5 years	NIL	NIL

4) RETIREMENT BENEFITS

During the year the Company has started contributing to Group Gratuity scheme with LIC of India to cover all eligible employees. As per the actuarial valuations as on 31st March 2011 and recognised in the financial statements in respect of employee benefit schemes as details furnished by LIC is given below :-

(Rs. in Lakhs)

	PARTICULARS	Funded
(i)	Assumptions	%
	Discount Rate	8.00%
	Rate of Return on Plan Assets	8.00%
	Attrition rate	1 - 3%
	Salary Escalation	5.00%

(ii)	Table Showing Change in present value of obligation as on 31/03/2011	
	Present value of obligation as at beginning of the year	45.56
	Interest Cost	3.65
	Current Service Cost	13.04
	Benefit Paid	0.00
	Actuarial (gain) / Loss on obligations	(11.04)
	Present value of obligation as at end of the year	51.21
(iii)	Table Showing Change Fair value of Plan Assets as on 31/03/2011	
	Fair Value of Plan Assets at the beginning of the year	0.74
	Expected Return on Plan Assets	0.06
	Contributions	0.00
	Benefit Paid	0.00
	Actuarial Gain /(Loss) on plan Assets	0.00
	Fair Value of Plan Assets at the end of the year	0.80
(iv)	Table Showing Fair value of Plan Assets	
	Fair Value of Plan Assets at the beginning of the year	0.74
	Actual Return on Plan Assets	0.06
	Contributions	0.00
	Benefit Paid	0.00
	Actuarial gain / (loss) on Plan Assets	0.00
	Fair Value of Plan Assets at the end of the year	0.80
	Funded status	(50.41)
	Excess of actual over estimated return on plan assets	0.00
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
(v)	Actuarial Gain /Loss recognized as on 31/03/2011	
	Actuarial (Gain) /Loss on obligation	11.04
	Actuarial (Gain) /Loss for the year – plan assets	0.00
	Actuarial (Gain) /Loss on obligations	(11.04)
	Actuarial (Gain) /Loss recognized in the year	(11.04)
(vi)	The amounts to be recognised in the balance sheet and statements of Profit and loss	
	Present value of obligation as at end of the year	51.21
	Fair Value of Plan Assets at the end of the year	0.80
	Funded status	(50.41)
	Net asset/ (liability) recognized in balance sheet	50.41
(vii)	The amounts to be recognised in statements of Profit and loss	
	(i) Current Service Cost	13.04
	(ii) Interest Cost	3.65
	(iii) Expected Return on Plan assets	(0.06)
	(iv) Net Actuarial (Gain) / Loss to be Recognised	(11.04)
	(v) Expense Recognized in Profit & Loss A/c	5.59

Investment details of plan assets:

The Plan assets are maintained by Life Insurance Corporation Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the company and have not been disclosed.

As per the policy of the company employees are not entitled for leave encashment.

PF & ESI expenses are recognized in the accounts at the actual cost to the company which is deposited with the appropriate Government authorities. Apart from this contribution, the company has no other obligation to provide for in the books.

5) MANAGERIAL REMUNERATION

REMUNERATION TO DIRECTORS:

Nature of Remuneration	Rs. In Lakhs							
	Chairman R.Ramkumar		Director R. Vijaykumar		Managing Director B.Sreekrishna		Director B. Srinivasan	
	2010-11	2009 - 10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Salary	12.00	12.00	12.00	12.00	12.00	12.00	10.80	10.80
Gratuity Provided	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Contribution to PF and other funds	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Total	12.32	12.32	12.32	12.32	12.32	12.32	11.12	11.12

6) SEGMENT REPORTING

The entire operations of the company relates to one segment viz., network product and services.

7) RELATED PARTY DISCLOSURE

TRANSACTIONS WITH RELATED PARTIES:

Key Management Personnel

- o R. Ram Kumar – Chairman
- o B. Sreekrishna – Managing Director
- o R. Vijay Kumar – Director
- o B. Srinivasan – Director

Other Non – Executive Directors

- o Eswaran Annamalai
- o K. Hariharan - upto 03/05/2010
- o L. Satyanarayan
- o V.K.Venugopal - from 03/05/2010
- o Hari Sethuraman

Name of the Key Management Personnel	Relationship	Nature of Payment	Amount Rs. in lakhs	
			2010-11	2009-10
R Vijay Kumar	Managing Director	Salary	12.00	12.00
R Ram Kumar	Chairman	Salary	12.00	12.00
B Sreekrishna	Director	Salary	12.00	12.00
B. Srinivasan	Director	Salary	10.80	10.80
R Ram Kumar	Chairman	Lease Rent	2.00	2.00
R Ram Kumar	Chairman	Lease Advance Outstanding (as at year end)	28.00	30.00

- 8) The company is in the process of identification of Micro, Small and Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006.
- 9) The estimated amount of contracts remaining to be executed on account of Capital account as at 31st March 2011: Nil
- 10) There are no Impairment losses to be provided for in the books as on 31.03.2011.
- 11) Bank Guarantees outstanding as on 31.03.2011 is Rs.5064.41 Lakhs (P.Y Rs.506.45 Lakhs)
- 12) Contingent Liabilities
- a. The revision demand for A.Y 2001 – 02 amounting to Rs.5.33 Lacs is pending for payment.
 - b. The company's Income tax appeal for Assessment Year 2002 – 03 was partially allowed in favor of the company by ITAT. For the balance demand of Rs.10.45 Lakhs the company has filed appeals before Honorable High Court of Madras. Against this, the company has paid a sum of Rs.4.00 Lakhs under protest. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
 - c. The Income Tax department has made an order for the Asst. Year 2006-07 demanding a sum of Rs.419.69 Lakhs which is stayed by the Honorable High Court of Madras. The tax demand is on account of disallowance of deduction u/s.80IC claimed by the company. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts
 - d. Assessment Year 2007 – 08 the A.O made an order u/s 143(1)(a) demanding Rs. 62.07 lakhs for disallowance of TDS certificates for which the company has filed rectification petition before the A.O. Considering the company's chance of reduction in demand the amount has not been provided for.
 - e. AO made an order, for the Assessment Year 2008 -09 u/s 143(1) demanding a sum of Rs.344.31 lakhs, which was disputed before High Court of Chennai and as per the directions of High Court the company has preferred representation before the A.O for rectification / modification. Considering the company's chance of success the amount has not been provided for. Further a demand by AO for the AY 2008-09 under section 143(3) demanding a sum of Rs 29.38 Lakhs vide order Dt 1st March 2011 and Rs 1.84 Lakhs towards FBT demand raised vide order under section 115WE(3) Dt 31.12.2010
 - f. The Central Excise department has made an order demanding a sum of Rs.56.80 Lakhs for the year 2000-01 against which the company has filed an appeal before CCE (A). Considering the company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
 - g. Following Corporate Guarantees have been given to PointRed Telecom Ltd, a group company:
 - Rs 50 Crores in favour of L&T Infrastructure Finance Company Ltd (NBFC) towards term loan facilities
 - Rs 90 Crores in favour of Punjab National Bank towards working capital facilities
 - Rs 16.50 Crores in favour of State Bank of India towards Working capital facilities
 - h. A Corporate Guarantee has been given to Veeras Infotek Pvt Ltd to the tune of Rs 58.75 Lakhs in favour of EASYACCESS Financial Services Ltd towards Credit facility availed from Redington India Ltd for purchase of equipments.
- 13) Obtaining of Confirmation of balances from Sundry Debtors, Sundry Creditors, Loans & Advances, Deposits & Other Current Assets are under progress. Considering the huge volume of Government Departments outstanding not being confirmed by the respective departments, the confirmations and reconciliation of balances as on 31st March, 2011 is still in progress.
- 14) In the opinion of the Management, all current assets including Sundry Debtors, Loans & Advances, Deposits and Other Current Assets are realizable in the ordinary course of the business at the values stated.

- 15) The company has appointed Branch Auditors u/s 228 of the Companies Act to audit the accounts of the overseas branches. The Branch Audit reports on the accounts of the branches have been obtained, which are included in the financials of the Company under report.

16) Earnings Per Share

Particulars	(Rs. in Lakhs)	
	As at 31st March 2011	As at 31st March 2010
Profit available to Equity Share holders used as Numerator - (A) In Rs.	6377.78	3226.28
Number of Shares outstanding	10,68,98,000	10,01,42,900
Weighted Average Number of shares outstanding - (B)	10,31,78,068	9,76,34,582
Effect of dilution on issue of share warrants and 6% Convertible Bonds - (C)	Refer note - a below	4,06,03,400
Weighted Average No. of Equity Shares including potential shares - (D)	10,31,78,068	13,82,37,982
Adjusted PAT for Dilution of Convertible Bonds (E)	6377.78	3627.63
Earnings per share (Basic) - (A/ B) In Rs.	6.22	3.34
Earnings per share (Diluted) - (E / D) In Rs.	6.22	2.62

- a) The FCCB's outstanding as at 31st March, 2011 are anti dilutive and hence ignored for the purpose of computing diluted earning per share.

- 17) The company raised money by issue of 6% Unsecured Convertible Bonds due in 2012 (FCCB) amounting to € 15,000,000 during July 2007. The terms of the issues as per the offer document includes:

- o Issue date 17.07.2007 and maturity date 18.07.2012
- o Conversion price is Rs. 102.62/(of Re 1/- each) (subject to adjustment to conversion price) with a fixed rate of exchange of conversion of Rs.54.87 per € 1. As per this the conversion price has been reset to 83.36 (of Re 1/- each).
- o Conversion price is subject to suitable adjustment for the issue of bonus, subdivision and capitalization of reserves etc. The maximum adjustment to conversion price is subject to SEBI approved minimum conversion price, i.e., floor price of Rs. 416.80 per share (of Rs.10 each).
- o The bonds can be converted at the option of the company at any time on or after 3 years from the issue date.
- o The bond holders have the option to redeem the bonds, subject to other conditions as under

Early redemption period on or before	Early redemption amount for each € 1,00,000
17.07.2007	1,00,000.00
17.01.2008	1,00,436.94
17.07.2008	1,00,888.89
17.01.2009	1,01,356.38
17.07.2009	1,01,839.94
17.01.2010	1,02,340.11
17.07.2010	1,02,857.48
17.01.2011	1,03,392.62
17.07.2011	1,03,946.16
17.01.2012	1,04,518.73
17.07.2012	1,05,110.97
18.07.2012	1,05,131.04

Statement of Consolidated Cash Flow for the year ended 31st March, 2011

(Rs. in Lakhs)

	Year ended 2011	Year ended 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year before tax	7,515.90	3,987.05
Adjustment for Depreciation	3,735.82	3,118.79
Interest Paid	4,112.82	2,481.51
Interest Received	(127.89)	(17.72)
(Profit)/ Loss on Sale of Fixed Assets	(0.26)	(2.91)
Exchange differences on translation of foreign currency cash & cash equivalents	(317.01)	-
Preliminary Expenses Written off	0.03	-
Operating Profit before working Capital Changes	14,919.41	9,563.72
CHANGES IN CURRENT ASSETS & CURRENT LIABILITIES:		
Adjustments for Trade & other receivables	-	
Decrease (increase) in Sundry debtors	(12,763.95)	(6,500.82)
Decrease (increase) in Inventories	(5,382.58)	(989.81)
Decrease (increase) in Other current assets	(620.53)	(1,597.87)
Decrease (increase) in Loans and advances	1,533.12)	880.30
Increase (Decrease) in current liabilities	1,662.32	2,224.85
Cash Generated from / used in Operating Activities	(3,718.45)	3,580.39
Direct Taxes Paid	(6.61)	(106.23)
Net Cash Provided by Operating Activities	(a) (3,725.06)	3,474.16
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(6,236.04)	(5,883.56)
Proceeds from Sale of Fixed Assets	0.57	10.50
Purchase Shares of Subsidiary Companies	-	-
Interest Received	127.89	17.72
	(b) (6,107.58)	(5,855.34)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease in Loans) net of repayments	14,962.99	4,409.42
Proceeds from issue of Share Warrants	-	839.55
Issue of Share Capital (including share premium)	909.69	
Interest Paid	(4,112.82)	(2,481.51)
Dividend Paid incl div tax	(66.87)	(48.59)
	(c) 11,692.98	2,718.87
D EXCHANGE DIFFERENCE:		
Exchange difference on translation of foreign currency cash & cash equivalents	317.01	-
	(d) 317.01	-
Total increase (decrease) in cash and equivalents during the year (a+b+c+d)	2,177.36	337.69
Cash and equivalents at the beginning of the year	1,490.58	1,152.90
Cash and equivalents at the end of the year	3,667.94	1,490.58

As per Our Report of even date
For M/s P. Chandrasekar
Chartered Accountants

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Director

P. Chandrasekaran
Partner
Membership No - 26037
Firm No - 000580S
Place : Chennai
Date : 18th July, 2011

R. VIJAY KUMAR
Managing Director

- o Up to the year ended 31.03.2011, the bond holders have not exercised conversion option or not opted for early redemption.

18) Balance in the other banks (Non Scheduled Banks) represents the balances with the following banks:

(Rs in Lakhs)

Name of the Bank	Maximum amount held at any point of time during this year as at 31st March,2011	Maximum amount held at any point of time during this year as at 31st March,2010
RBS Coutts Bank Von Ernst Ltd, Singapore	7.22	7.23
First Commercial Bank Company Limited, Taiwan	11.69	10.27

None of the Directors are interested in the above banks.

19) Figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.

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