



Gemini Communication Ltd.



Annual Report 2013

GREEN INITIATIVE

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by companies and has issued circulars stating that service of notice / other documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail id to the Company at the following e-mail id or to the Registrar at the following address, quoting their folio reference.

sharedept@gcl.in

Integrated Enterprises (India) Limited
Unit: Gemini Communication Ltd
2nd Floor, “Kences Towers”
#1, Ramakrishna Street,
T. Nagar, Chennai - 600 017
Phone : 044- 28140801 Fax : 044 -28142479
E-mail: corpserve@integratedindia.in



Board of Directors

Mr. R. Vijaykumar
Chairman & Managing Director

Mr. R. Ramkumar
Whole-time Director

Mr. Eswaran Annamalai

Dr. V. Aravind

Mr. V.J. Chandran

Compliance Officer

Mr. M. Raju

Auditor

Mr. S. Ramanath
Chartered Accountant
Proprietor M/s. Ramanath & Co.,
1A, East Street Agraharam, Singanallur,
Coimbatore - 641 005

Bankers

Bank of India
Chennai Mid Corporate Branch
IV Floor, Tarapore Towers, 826, Anna Salai
Chennai - 600002

State Bank of India
Industrial Finance Branch
155, Anna Salai, Chennai - 600002

Union Bank of India
Mount Road Branch
152, Anna Salai
Chennai – 600002

Registrar and Share Transfer Agent

M/s. Integrated Enterprises India Ltd
2nd Floor, "Kences Towers"
#1, Ramakrishna Street,
T. Nagar, Chennai – 600017

Contents	Page
Letter to Shareholders	2
Directors' and Senior Management Profile	3
Notice for the 18 th Annual General Meeting	5
Directors' Report	7
Report on Corporate Governance	11
Management Discussion and Analysis Report	23
Financials - Standalone	
Auditors' Report	27
Balance Sheet	30
Statement of Profit & Loss	31
Cash Flow Statement	32
Notes forming part of the Financial Statement	34
Financials - Consolidated	
Auditors' Report on Consolidated Accounts	49
Consolidated Balance Sheet	50
Statement of Consolidated Profit & Loss	51
Consolidated Cash Flow Statement	52
Notes forming part of the Consolidated Financial Statement	54
Attendance Slip / Proxy Form	67



LETTER TO SHAREHOLDERS

Dear Shareholders,

Warm Greetings to all of you!

Financial Year 2012-13 has been a difficult one in terms of the operating business environment. Persisting inflationary conditions together with poor market sentiments and infrastructure bottlenecks hampered short term growth and profitability. The effects of uncertainties in the rest of the world weighed significantly on investments, exchange rates and commodity prices. Liquidity conditions were very tight with persistent hardening of interest rates.

During financial year 2012-13, the company registered consolidated revenue of Rs. 3350.41 million and a Profit before Tax of Rs. 321.42 million. Earnings per share stood at Rs. 2.33.

The outlook on the Indian telecommunication services remained negative for 2013 due to various regulatory issues. Uncertainty in regulations, which was the key risk in 2012, has now been replaced by increasing costs which has had an impact on many telecom operators.

As the government has already taken major policy decisions regarding the telecom sector, Gemini expects lesser regulatory uncertainty for the sector in the near term. The regulatory overhang is expected to fade out over the next 12 months. This will enable a fresh inflow of capital into the sector.

Gemini expects that higher adoption of data services will be the next growth driver for telcos. As the voice market is maturing, telcos will shift their focus on data services, along with value-added services. As per industry estimates, there were 137 million internet users and only 23 million internet subscribers in the country at the end of June 2012, as per TRAI data. The number of internet

users are likely to double over the next two to three years, most of which will be on the mobile platform.

Increasing demand for high-speed and high capacity, data-centric internet access would lead to increased adoption of WiMAX and LTE technologies in which PointRed specialises. PointRed is aggressively pursuing market opportunities for its products and services in the ASEAN countries. PointRed aims to achieve 15% market share of the total wireless networks by 2015.

The industry on the main areas of IT Security, Cloud computing, mobility solutions and virtualization is growing at an exceptionally high rate, in excess of 100% y-o-y. The IT Security business in India alone is growing at a clipping speed of 34%, while the security services portion i.e. Audits and Assessment work is registering an impressive growth of more than 50%.

Although the immediate outlook continues to be challenging, the company is cautiously optimistic about the long term growth prospects. Margins are expected to remain under pressure as we continue to focus on products and services that are of long term relevance for us even if this is at the cost of profitability in the shorter run.

To face the challenges, the Company took necessary steps in restructuring business priorities and maintained its position as a preferred partner. The Company is well positioned as a leaner and focused organization to address the downturn and to achieve growth. Going forward, we firmly believe that we are well placed to capitalize on the opportunities presented.

My sincere thanks to all the shareholders, employees, bankers, auditors, clients, vendors and all those who have been with us in the past and continue to support us.

Sincerely Yours,

R.Vijaykumar

Chairman & Managing Director

Director's Profile

R. Vijaykumar

Group Chairman and Managing Director

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. Vijaykumar 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 trying to improve Industrial Training Institute education through its "Corporate Social Responsibility initiatives" and is committed to a journey which weaves ecological sensitivity in every aspect of its business and organization. Gemini has adopted ITI, Tirupur and closely working for results. He holds a degree from Madras University in the discipline of Mathematics.

R. Ramkumar

Whole-time Director

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 cofounder 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 Ltd., Gemini Geoss Energy Pvt. Ltd., and 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 was honoured for his entrepreneurial spirit with the 2007 Sri Venkateswara College of Engineering Entrepreneur of the Year award. 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 Management.

Senior Management Profile

B. Sree Krishna

Project Director

B Sree Krishna, a Software Engineer is the one of the chief architect 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 and management skills to provide requisite direction to the various accounts and teams that he manages. He is based out of 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 markets and international business helped Gemini acquiring PointRed a US based company and in cultivating multinational, multicultural company to suit Gemini's needs. 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, Delhi.

M. Raju

CEO – Telecom Services Group

M. Raju, has a rich 19 years of experience in IT & Telecom industry, and had been instrumental towards business success with high revenue. Raju started his career as a Sales & Marketing engineer, with an IT system integrator. He joined Gemini in 1999, just when the company was embarking on its next phase of growth, in wireless domain for data connectivity. He was instrumental towards driving wireless business and enabling Gemini, as a leading wireless system integrator in India, by partnering with leading Indian telecom service providers, for their last-mile solution. He had held a range of leadership positions at Gemini, in the field of Wireless, Network Security, Network Storage and Network Management solutions. He is currently responsible for driving the Telecom Services business, including Sales, Finance, Operations, Service Delivery, Service Assurance and Solution support. He has also been instrumental in building organizational capabilities to support new and complex telecom services. He aims towards long-term goals, and align his short-term goals with the long-term ones, and works following the norms of corporate governance, with strong belief on team-effort. He had transformed the focus of Gemini from being a system integration company, to a telecom services company, and enabling Gemini to the Indian leader in telecom services offering. Under his direction, Gemini have partnered with market leaders like TCL, TTSL, Vodafone, Tikona, Alcatel-Lucent, Nokia Siemens Networks, Huawei, ZTE etc to offer Network services across India. The additional responsibility assigned has been to take the telecom services to its next league, by offering its services to operator outside India. He holds a Post Graduate Diploma in Sales & Marketing, together with engineering degree, and abridged management course from leading management school.

K. Ravichandran

Chief Service Officer

Ravichandran K, ITIL EXIN certified, started his career in 1991 in electronic Industry and later moved into computer peripheral industry. He moved into Gemini's fold during 1995. He currently holds the Chief Service Officer in Gemini. He has years of experience which has moulded him as a good Operations strategist and an excellent leader by example. He is a good motivator and has good understanding with his team across India. He was instrumental in streamlining the project management cycle with process flow and defined deliverables. Understanding the criticality of IT infrastructure in support services, he initiated ITIL practices and was the first to be ITIL certified apart from getting certified as internal Auditor, ISO9001:2000 and CCNA. Understanding his managerial capabilities, he was one of the persons sponsored by Management to take up the Bullet proof manager training program. He is an identified corporate resource person on multiple domains.

B. Srinivasan

Chief Technology Officer

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 travelling through the echelon and with his appointment as Chief Technology Officer (CTO) 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.

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).

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF GEMINI COMMUNICATION LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER 2013 AT 1.30 P.M. AT 5/307, BYE PASS ROAD, SENNERKUPPAM, PONAMALLEE, CHENNAI - 600056 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To re-appoint Mr. Eswaran Annamalai as Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditor and to fix his remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT the retiring auditor, Mr. S. Ramanath, Chartered Accountant, Coimbatore (Membership number 29416), be and is hereby re-appointed as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company, on the recommendation of the Audit Committee."

For and on behalf of the Board
For Gemini Communication Limited

Place: Chennai

R. Vijaykumar

Date: August 09, 2013

Chairman & Managing Director

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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September 2013 to Monday, the 30th September 2013, both days inclusive under Section 154 of the Companies Act, 1956.
4. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate; members are requested to notify:
 - a. the Registrar & Transfer Agent of the Company, if shares are held in physical form; and
 - b. their respective Depository Participant (DP), if shares are held in demat form.
5. 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 Registrar & Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio.
6. 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/Registrar and Transfer Agent.
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. 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 for easy identification of attendance at the meeting.

8. Members are requested to encash or claim the dividends for the years 2006-07 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 2005-06 to the Fund.
9. **Members may kindly note that no gifts/coupons will be distributed at the Annual General Meeting.**

PARTICULARS OF DIRECTOR SEEKING RE-APPOINTMENT, AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Item No. 2

Re-appointment of Mr. Eswaran Annamalai

Mr. Eswaran Annamalai is a Post Graduate from USA and has a total working experience of around 22 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. He holds 200 equity shares in the Company.

None of the Directors except Mr. Eswaran Annamalai is in anyway interested or concerned in the said resolution.

For and on behalf of the Board
For Gemini Communication Limited

Place: Chennai

Date: August 09, 2013

R. Vijaykumar
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Eighteenth Annual Report and the Audited Accounts for the year ended March 31, 2013

A. Results of operation

(in ₹ lakhs)

Particulars	31-03-2013	31-03-2012	31-03-2013	31-03-2012
	Consolidated		Standalone	
Total Income	33,504.11	54,510.36	13,979.56	28,604.52
Total Expenditure	30,289.93	51,253.72	13,927.45	28,425.17
Profit / (Loss) before tax	3,214.18	3,256.64	52.11	179.35
Profit / (Loss) after Tax	2,642.90	3,662.85	(198.04)	187.03

B. Dividend

Yours directors have decided to utilize the internal accruals for future growth. Hence, your Directors have not recommended any dividend for the current year. Your Directors believe that this will increase the long-term shareholder value.

C. Buy-back of shares

The shareholders of the Company had through Postal ballot, the results of which were declared on October 29, 2011, approved Buyback of shares not exceeding 25% of the paid-up capital and free reserves for a price not exceeding Rs. 45 per share. The buyback period commenced on January 30, 2012 and was completed on October 28, 2012.

Under this buyback, the Company bought back 2750182 equity shares at an average price of Rs. 11.39 per share from the open market through the stock exchanges. The total amount utilized for the buyback was Rs. 31,310,958.39.

D. Conversion of Foreign Currency Convertible Bonds (FCCBs)

On November 1, 2012 the Company allotted 19746885 equity shares of face value Re. 1 in favour of Merrill Lynch International pursuant to exercise by them of the option to convert the Euro 15 million 6% Foreign Currency Convertible Bonds (FCCBs) through their disclosure dated October 26, 2012 under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

Subsequently, Merrill Lynch International has denied exercise of the option to convert and has obtained an

ex-parte injunction from the city civil court restraining the company from proceeding further with the conversion of the FCCBs. The company is in the process of challenging the injunction obtained by Merrill Lynch International.

E. Directors

Mr. L. Sathyanarayan retired as Director at the Annual General Meeting held on 27th September 2012 and did not seek re-appointment. Mr. R. Kothandaraman and Dr. V. Aravind were appointed as Directors with effect from 27th September 2012. Mr. R. Kothandaraman resigned as Director with effect from 9th February 2013 and Mr. V. J. Chandran was appointed as Director with effect from 9th February 2013 to fill-up this casual vacancy.

The Board would like to place on record, their appreciation for the contributions of the above Directors during their tenure as Directors of the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Eswaran Annamalai, Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

The information to shareholders as per Clause 49 of the Listing agreement pertaining to Mr. Eswaran Annamalai, covering brief resume, expertise in functional areas, names of Companies in which he is a Director, is being provided in the Notice of the Annual General Meeting which forms part of this Annual Report.

F. Auditors

Mr. S. Ramanath, Chartered Accountant, Coimbatore (Membership No. 29416) retires as Auditor of the Company at the forthcoming Annual General Meeting and is eligible for re-appointment. The Directors recommend that Mr. S. Ramanath, Chartered Accountant, Coimbatore (Membership No. 29416) be re-appointed as the Company's auditor to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that his appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

G. Directors Responsibility Statement

Your Directors hereby confirm in terms of Section 217(2AA) of the Companies Act, 1956 that:

1. In the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed and that there are no material departures;
2. The accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year on March 31, 2013 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken 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;
4. The annual accounts for the year ended March 31, 2013, have been prepared on a going concern basis.

H. Deposits

During the year, your Company has not accepted any deposits from the public.

I. Subsidiary

The Company has 6 subsidiaries namely:

M/s. Gemini Traze RFID Private Limited, Chennai

M/s. PointRed Telecom Limited, Bangalore

M/s. Gemini Geoss Energy Private Limited, Chennai

M/s. Gemini Infotech Limited, Hong Kong

M/s. PR Wireless Tech Limited, Hong Kong

M/s. Gemini FTZ, Dubai

During the financial year 2012-13, the Company sold its 51% stake in M/s. Veeras Infotek Private Limited, Chennai and consequently, M/s. Veeras Infotek Private Limited has ceased to be a subsidiary of the company.

As required under the Listing Agreements entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 211(3C) of the Companies Act 1956.

Pursuant to the provisions of Section 212(8) of the Companies Act 1956, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2013 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company and also at the respective registered office of the subsidiaries for inspection.

The same has also been put-up on the Company's website, www.gcl.in

J. Management Discussion and Analysis report

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

K. Corporate Governance

In terms of Clause 49 of the Listing Agreement with the stock exchanges, a Corporate Governance Report is made part of this Annual report.

A certificate from the Statutory Auditor of the Company regarding compliance of the conditions stipulated for Corporate Governance under Clause 49 of the Listing Agreement is attached to this report.

The declaration by the Managing Director addressed to the members of the Company pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to this Report.

L. Particulars of Employees

During the financial year 2012-13, no employee of the Company has drawn remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

M. Conservation of Energy, Technology Absorption and Research & Development

Your Company's power requirements are very minimal. Your Company however takes every possible step to make optimum utilization of energy and avoid unnecessary wastage of power.

Your Company keeps itself updated with the latest technology available in the market. Your company aims at

providing future-proof and future adaptable technologies to all its clients.

N. Explanation to Qualification / remark in the Auditors' Report

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

O. Foreign Exchange Earnings and Outgo

During the year, there were no foreign exchange earnings. There was an outgo of Rs. 82 lakhs in foreign currency during FY 2012-13.

P. Appreciation

Your Board of Directors are grateful to the shareholders, Bankers, Financial Institutions, Government Authorities, Local Authorities and all business associates and customers for their continuous support and enthusiastic co-operation. 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

Chennai
August 09, 2013

R. Vijaykumar
Chairman & Managing Director

Statement pursuant to general exemption under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

S.No	Particulars	(₹ in lakhs)					
		PointRed Telecom Limited	Gemini Trazee RFID Private Limited	Gemini Geoss Energy Private Limited	Gemini Infotech Limited, Hongkong	PR Wireless Tech Limited, Hongkong	Gemini FTZ, Dubai
		For the year ended 31-Mar-13	For the year ended 31-Mar-13	For the year ended 31-Mar-13	For the year ended 31-Mar-13	For the year ended 31-Mar-13	For the year ended 31-Mar-13
	Holding Company's Interest	100%	100%	100%	100%	100%	100%
	Exchange Rate as at March 31, 2013	-	-	-	54.39	54.39	54.39
1	Capital	1,013.12	568.50	1.00	3,791.02	0.60	-
2	Reserves	201.24	161.87	(0.94)	2,935.25	11,897.79	594.88
3	Total Assets	29,705.52	1,574.68	242.51	9,724.94	4,376.31	7,515.45
4	Total Liabilities	29,705.52	1,574.68	242.51	9,724.94	4,376.31	7,515.45
5	Details of investment (except in case of investment in subsidiaries)	-	-	-	-	-	-
6	Turnover	4,984.28	1,132.54	-	-	5,484.82	7,515.45
7	Profit /(Loss) before Taxation	(27.58)	(22.46)	-	-	2,401.97	594.88
8	Provision for Taxation	321.12	-	-	-	-	-
9	Profit /(Loss) after Taxation	(348.70)	(22.46)	-	-	2,401.97	594.88
10	Proposed Dividend, if any	-	-	-	-	-	-

The Company undertakes that the audited annual accounts and other related information of the subsidiaries, where applicable, would be made available to the shareholders upon request. The annual accounts of the subsidiaries are also available for inspection at the registered office of the company during business hours. The same has also been put-up on our website www.gcl.in

For and on behalf of the Board of Directors

Place : Chennai

Date : May 29, 2013

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

REPORT ON CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY

Good Corporate Governance is integral to creating value on an overall basis. Good Corporate Governance ensures transparency in all corporate matters and decisions. The Company believes and practices the best standards of Corporate Governance and aims at enhancing the overall value of all stakeholders concerned.

B. BOARD OF DIRECTORS

Composition of the Board

The Board currently consists of five members. Of this, two Directors are Executive Directors and the other three are Non-Executive and Independent Directors. The Chairman of the Board Mr. R. Vijaykumar is an Executive Chairman

and more than one half of the Board (3 directors) comprises of Non-executive Independent Directors meeting the criteria for independence under Clause 49 of the listing agreement.

The Board members have collective experience in diverse fields and are elected based on their qualification and experience in varied fields as well as company's business needs.

Directorships held during the year

The details of the Directors, as at March 31, 2013 including the details of their other Board Directorship reckoned in line with clause 49 of the listing agreement, committee membership are given below:

Director	Category	Other Directorships \$	Membership of Other Board Committees *
Mr. R. Vijaykumar	Promoter & Executive	1	1
Mr. R. Ramkumar	Promoter & Executive	2	1
Mr. Eswaran Annamalai	Independent & Non-Executive	NIL	NIL
Dr. V. Aravind	Independent & Non-Executive	NIL	NIL
Mr. V. J. Chandran	Independent & Non-Executive	1	NIL

*Includes only membership in Audit and Investor Grievance Committee

\$ Excludes Alternate Directorships and Directorships of Private Limited Companies and Foreign Companies, wherever applicable.

Mr. R. Vijaykumar and Mr. R. Ramkumar are brothers and belong to the Promoter Group.

Board Meetings

The Board of Directors meet at regular intervals with a formal schedule of matters specifically reserved for its attention to ensure that it exercises full control over significant strategic, financial, operational and compliance matters. The board is regularly briefed and updated on the key activities of the business and is provided with briefings and presentations on other matters concerning the company on a need basis.

Attendance Record of the Directors

Ten Board Meetings were held during the year from April 01, 2012 to March 31, 2013. The dates on which meetings were held are 6th April 2012, 14th May 2012, 10th August 2012, 22nd August 2012, 12th September 2012, 1st November 2012, 9th November 2012, 18th December 2012, 9th February 2013 and 22nd March 2013. The time gap between any two meetings did not exceed 4 months. The attendance record of all the Directors is as follows:

Director	No. of Board Meetings		Last AGM attendance
	Held	Attended	
Mr. R. Vijaykumar	10	10	YES
Mr. R. Ramkumar	10	10	YES
Mr. L. Sathyanarayan &	5	3	NO
Mr. Eswaran Annamalai	10	9	NO
Dr. V. Aravind \$	5	5	NO
Mr. R. Kothandaraman \$@	3	2	NO
Mr. V J Chandran #	2	2	NO

& Retired as director at the AGM held on 27th September 2012

\$ Appointed as Director w.e.f. 27th September 2012

@ Resigned from the board w.e.f. 9th February 2013

Appointed as Director w.e.f. 9th February 2013

The full details of the Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

Membership Term

As per the provisions of the Companies Act, 1956, one-third of the Board members (other than Managing Director) who are subjected to retire by rotation shall retire every year, and the approval of the shareholders is sought for the re-appointment of the retiring Director(s) who are so eligible.

Changes in the Board Constitution

Mr. L. Sathyanarayan retired as Director at the Annual General Meeting held on 27th September 2012 and did not seek re-appointment. Mr. R. Kothandaraman and Dr. V. Aravind were appointed as Directors with effect from 27th September 2012. Mr. R. Kothandaraman resigned as Director with effect from 9th February 2013 and Mr. V. J. Chandran was appointed as Director with effect from 9th February 2013 to fill-up this casual vacancy.

Availability of Information to Board of Directors

In terms of the Corporate Governance philosophy, all statutory and other significant material informations are placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Committees of the Board

Various committees of the Board have been constituted to assist the Board in discharging its responsibilities. There are three committees constituted by the Board – the Audit Committee, Share Transfer and Investor Grievance Committee and the Remuneration Committee. The Board at the time of constitution of each committee fixes the

terms of reference for the Committee and also delegates powers from time to time. Various recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all the Committees are circulated to the Board for its information.

The Quorum for meetings of all the above referred Committees is either two members or one - third of the members of the Committee, whichever is higher.

Shareholding of Directors

The shares held by Directors as on March 31, 2013 are given below:

S.No.	Name of the Director	Number of Shares
1	Mr. R. Vijaykumar	29468809
2	Mr. R. Ramkumar	5649940
3	Mr. L. Sathyanarayan \$	NIL
4	Mr. Eswaran Annamalai	200
5	Mr. R. Kothandaraman &#	NIL
6	Mr. V J Chandran @	3589
7	Dr. V. Aravind &	NIL

\$ Retired as director at the AGM held on 27th September 2012

& Appointed as Director w.e.f. 27th September 2012

@ Appointed as Director w.e.f. 9th February 2013

Resigned from the board w.e.f. 9th February 2013

There are no other shares or convertible instruments held by any other Director(s).

The Company does not have Stock Options in Force.

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.

C. AUDIT COMMITTEE

Composition of the Audit Committee

The Committee currently comprises of Mr. V. J. Chandran as the Chairman, Dr. V. Aravind and Mr. R. Vijaykumar, as its members. All the members of the audit committee are financial literate.

The composition of the Audit Committee meets the stipulated minimum number of independent Directors. The Company's statutory auditor is permanent invitee to the Committee's meetings.

The terms of reference of the Committee covers all applicable matters specified under clause 49 of the Listing Agreements dealing with Corporate Governance and Section 292A of the Companies Act, 1956.

Terms of Reference of the Audit Committee include among other things:

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. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal

control systems of a material nature and reporting the matter to the board.

11. 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.
12. 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.
13. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc., of the candidate.

Meetings of the Audit Committee

There were five meetings of the Audit Committee held during the year on 14th May 2012, 10th August 2012, 9th November 2012, 9th February 2013 and 22nd March 2013 and not more than four months elapsed between any two meetings.

Attendance of the members to the Audit Committee Meetings

The number of meetings attended by each Director, as member of the Audit Committee is as follows:

Director	No. of Meetings held	No. of Meetings attended
Mr. L. Sathyanarayan [§]	2	2
Mr. Eswaran Annamalai [#]	4	4
Dr. V. Aravind [@]	3	3
Mr. R. Vijaykumar [*]	5	5
Mr. V.J. Chandran ^{&}	1	1

[§] ceased to be a member w.e.f. September 27, 2012

[#] ceased to be a member w.e.f. February 9, 2013

[@] appointed as member w.e.f. November 1, 2012

^{*} appointed as member w.e.f. April 6, 2012

[&] appointed as member w.e.f. February 9, 2013

D. SUBSIDIARIES

The Company has 3 Indian subsidiaries namely, Gemini Traze RFID Private Limited at Chennai, PointRed Telecom

Limited at Bangalore, and Gemini Geoss Energy Private Limited at Chennai. Mr. V. J. Chandran, an Independent Director of the holding Company is on the Board of Point Red Telecom Limited.

The minutes of the subsidiaries are normally placed before the Board of the Company at periodical intervals and reviewed.

Material Significant transactions and arrangements especially investments made by the subsidiaries during the year are reviewed by the Board.

The Company does not have any listed subsidiary as on March 31, 2013.

E. REMUNERATION COMMITTEE

Remuneration Policy

a. For Executive Directors

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.

b. For Non- executive Directors

The Non-Executive Directors are not paid any remuneration except sitting fees for attending the Board Meetings. There is no pecuniary relationship or transactions between any of the Non-executive Directors and the Company.

Composition of the Committee

The Remuneration Committee comprises of Mr. V.J. Chandran as Chairman, Dr. V. Aravind and Mr. Eswaran Annamalai as members. The committee has not met during the year 2012-13.

The Committee deals with all elements of remuneration package of the Executive Directors.

Details of remuneration paid to Executive Directors for the year 2012-13 are given below:

₹ In Lakhs

Nature of Remuneration	Chairman & Managing Director - Mr. R. Vijaykumar		Whole-time Director - Mr. R. Ramkumar	
	2012-13	2011-12	2012-13	2011-12
Salary	-	12.00	24.00	24.00
Gratuity Provided	-	-	-	-
Contribution to PF and other funds	-	0.09	0.09	0.09
Total	-	12.09	24.09	24.09

F. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The Company's shares are compulsorily traded in dematerialized form.

Composition of the Committee

The Share Transfer and Investors' Grievance Committee functions under the Chairmanship of Mr. V.J. Chandran. The other members of the Committee are Mr. R. Vijaykumar - Managing Director and Dr. V. Aravind.

The Company presently does not have a Company Secretary. The Company is however taking steps to fill-up this position.

Mr. M. Raju is the Compliance Officer of the Company.

Terms of Reference

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, 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.

As a policy, the Company approves transfers of shares within 15 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 2013 and all requests for dematerialization and re-materialization of shares as on that date were confirmed / rejected in to the NSDL and CDSL system.

The Committee also reviews the performance of the Company's Registrar & Transfer Agent (R&TA) M/s. Integrated Enterprises India Limited, and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/ SEBI / Ministry of Corporate Affairs (MCA) etc., and the responses thereto, are reviewed by this Committee.

Status of Investor Complaints

No. of Investor Correspondences / Queries / Complaints received from Shareholders / investors from April 1, 2012 to March 31, 2013	11
No. of Investor Correspondences / Queries / Complaints resolved / redressed	11

Attendance of the members to the Share Transfer and Investors' Grievance Committee Meetings

There were four meetings of the Share Transfer and Investors' Grievance Committee held during the year on 30th April 2012, 30th May 2012, 30th August 2012 and 22nd November 2012, which was attended by all the members of the committee.

G. GENERAL BODY MEETINGS

The details of General Meetings held and the special resolutions passed since 2010, are given below:

Year	AGM / EGM	Date	Time	Venue	Special Resolutions Passed
2012	AGM	27-09-2012	3.05 P.M.	Obul Reddy Hall, Vani Mahal, No. 103, G.N. Road, T.Nagar, Chennai - 600017	Nil
2011	EGM	27-12-2011	10.15 A.M.	No. 184, SIDCO Industrial Estate, Thirumazhisai, Chennai – 602 107	Nil
2011	AGM	09-09-2011	12.15 P.M.	“The Auditorium” Russian Centre of Science & Culture, No 74, Kasturi Ranga Road, Alwarpet, Chennai - 600 018	1. Resolution for Buy-back of Shares 2. Amendment in Object Clause of Memorandum of Association 3. Re-appointment of Mr. R. Ramkumar, whole-time Director 4. Appointment of Mr. R. Vijaykumar, Managing Director 5. Appointment of Mr. B. Sreekrishna as whole-time director without any remuneration 6. Re-appointment of Mr. B. Srinivasan as whole-time director
2010	AGM	30-09-2010	3.15 P.M.	“The Auditorium” Russian Centre of Science & Culture, No 74, Kasturi Ranga Road, Alwarpet, Chennai - 600 018	1. Object clause amendment for providing corporate guarantee for credit facilities availed by subsidiaries. 2. Ratification of Corporate Guarantee furnished from 1 st October 2009 under section 372A

During the year 2012-13, the company has not passed any resolution through postal ballot for obtaining the approval of the shareholders.

H. DISCLOSURES

- No transaction of material nature conflicting with the Company's interest was entered into by the Company with related parties. The particulars of transactions between the Company and its related parties, as defined in Accounting Standard 18, is set out in Note 27 to Notes to the stand alone financial statements.
- During the last three years no penalties or strictures have been imposed on the Company on any matter related to the capital markets by Stock Exchanges or SEBI or any statutory authority.
- The Company's 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.
- Presently the Company does not have a whistleblower policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.
- 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, statement of Profit & Loss and Cash

Flow Statement for the year ended March 31, 2013 to the extent applicable.

- There has been no public, rights or preferential issues during the year.
- All Directors and senior management personnel have affirmed to the Board that they did not have any financial and other transactions with the company, which could result in conflict with the interest of the Company at large.
- In compliance with the SEBI (Prevention of Insider Trading) Regulations 1992, as amended till date, the Company has a Code of Conduct for prevention of Insider Trading and the same has been strictly adhered to by the directors, and the designated employees. The Company informs the Directors and the designated employees, about the date of the board meeting to consider any price sensitive subjects and advising them not to trade in Company's shares, during the closure of the trading window period. The Company also obtains a declaration from the Directors and the senior management personnel with regard to their compliance with the Code of Conduct under the SEBI (Prevention of Insider Trading) Regulations.
- In compliance with clause 47 (f) of the listing agreement with the stock exchanges, the Company has designated the mail id sharedept@gcl.in and posted this in the Company's website. The investors can send their grievances, if any, to the designated mail id.
- The Stock Exchanges have inserted clause 54 to the Listing Agreement which stipulates that the Company should maintain a functional website containing basic information about the Company and to update the contents of the said website periodically. In pursuance of this clause, the Company has upgraded

its website and all the information as envisaged in the said clause are available in its official website www.gcl.in

- The Company complies with all mandatory requirements and has also adopted some of the non-mandatory requirements as detailed below.

I. MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has Listing arrangements. These financial results, in the prescribed format, are published in leading local and national newspapers; viz. "TRINITY MIRROR" in English and in "MAKKAL KURAL" in Tamil and are also posted on the Company's website www.gcl.in. Key developments are communicated to the Stock Exchanges, as and when they occur and also posted on the Company's website. The presentations made to institutional investors and analysts are also posted on the Company's website, www.gcl.in.

A Management Discussion and Analysis Report, is included in this Annual Report.

J. CEO CERTIFICATION

As required under Clause 49 of the Listing Agreement, Mr. R. Vijaykumar, Chairman & Managing Director (CEO) has certified to the Board in accordance with Clause 49 of the Listing Agreement for the financial year ended March 31, 2013.

K. CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Certificate from Mr. S. Ramanath, Statutory Auditor of the Company, affirming compliance with the conditions of Corporate Governance, is enclosed along with this Annual Report.

L. General Shareholder Information

1	Registered Office Address	No.1, Dr. Ranga Road Alwarpet, Chennai - 600 018 Tamil Nadu, India
2	18 th Annual General Meeting Date Time Venue	September 30, 2013 1.30 p.m. 5/307, Bye Pass Road, Sennerkuppam, Ponamallee, Chennai - 600056
3	Financial Year	April to March
4	Dates of Book Closure	September 23, 2013 to September 30, 2013 (both days inclusive)
5	Approval of Financial Result (Proposed) Quarter Ending June 30, 2013 Quarter Ending September 30, 2013 Quarter Ending December 31, 2013 Quarter Ending March 31, 2014	Second Week of August 2013 Second Week of November 2013 Second Week of February 2014 Last Week of May 2014
6	Listing on Stock Exchanges: The Equity Shares are listed at	National Stock Exchange of India Ltd Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra(E) Mumbai - 400051 Tel No: (022) 26598100 – 8114 Fax No: (022) 26598120 Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400001 Maharashtra, India Tel:91-22-22721233, 22721234 Fax:91-22-22721919 Madras Stock Exchange Limited New No:30, Second Line Beach Chennai – 600001 Tel: 91-44-25228951 Fax: 91-44-25244897
7	Listing Fees	Listing Fees have been paid for all the above stock exchanges for 2013 – 2014
8	Stock Exchange Security Code and other related information	BSE 532318 NSE GEMINI MSE GNC Depository ISIN No. INE878C01033 CIN L32301TN1995PLC030087
9	Dematerialization of Shares	The Shares of the Company are available for trading in both the depository systems namely Central Depository Services (India) Limited and National Securities Depository Limited

10	No. of Shares Dematerialized as on 31 st March 2013	102271073 shares; 82.55% of Total shares of the Company
11.	Registrar and Transfer Agent	<p>M/s. Integrated Enterprises India Ltd Unit: Gemini Communication Ltd 2nd Floor, "Kences Towers" #1, Ramakrishna Street, T. Nagar, Chennai – 600 017 Contact Person: Mr. Suresh Babu, Vice President Phone : 044 - 28140801 Fax : 044 - 28142479 Email: corpserve@integratedindia.in</p> <p>Shareholders are requested to correspond with the Registrar and Transfer Agent for transfer / transmission of shares, change of address, queries pertaining to their shareholding at their address given above.</p>
12.	Share Transfer System	Share transfers are processed and approved, subject to receipt of all requisite documents. The Company seeks to ensure that all transfers are approved for registration within the stipulated period. With a view to expediting the approval process, the Board of Directors has authorized the Share Transfer & Investors' Grievance Committee to approve the transfer of shares.

13. Distribution of shareholding as on 31st March 2013

Shareholding	No. of Shareholders	% of total shareholders	Number of Shares	% of total shares
Up to 500	6446	65.51	1197317	0.97
501-1000	1081	10.98	927654	0.75
1001-2000	891	9.05	1485410	1.20
2001-3000	328	3.33	863334	0.70
3001-4000	189	1.92	712194	0.57
4001-5000	169	1.72	810152	0.65
5001-10000	358	3.64	2758065	2.23
10001 and above	379	3.85	115140577	92.93
TOTAL	9841	100.00	123894703	100.00

14. Shareholding pattern as on 31st March 2013

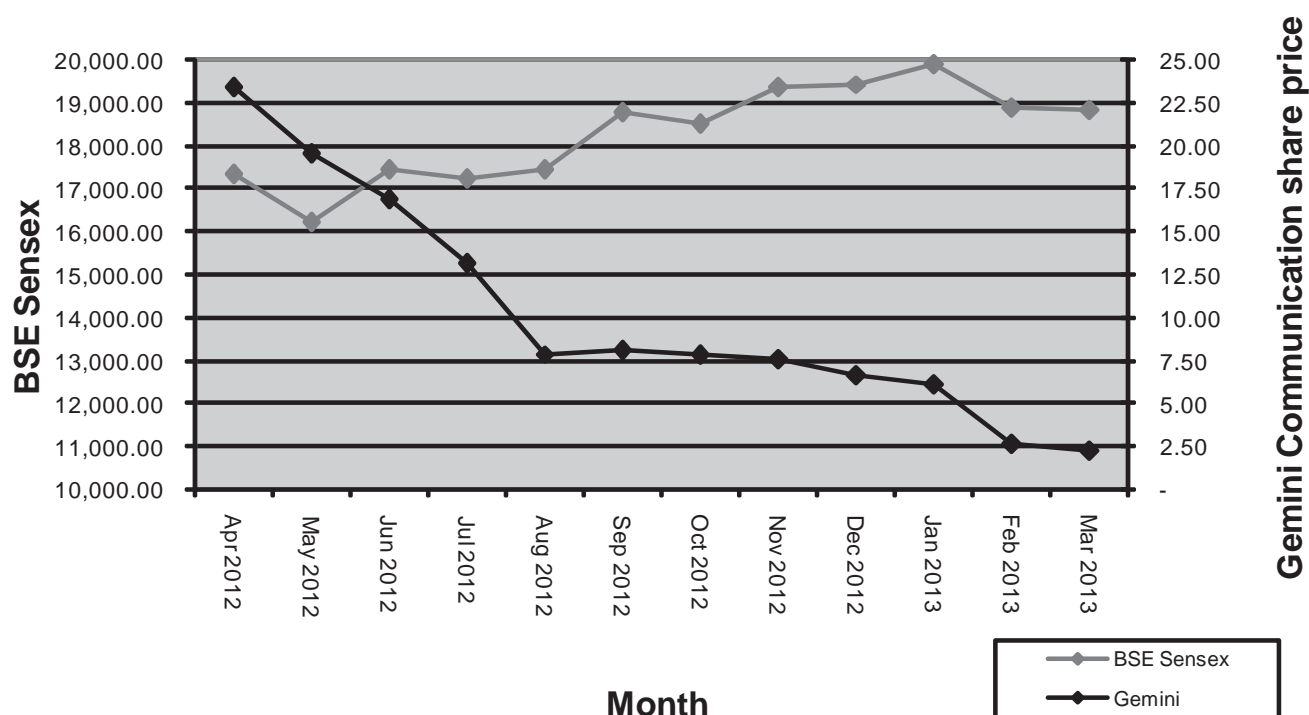
Particulars	Number of Share holders	Total Shares	% of Share holding
Promoter Group	3	46071053	37.19
Mutual Funds	1	22000	0.02
Insurance Companies	2	2757705	2.23
Foreign Institutional Investors	4	27648910	22.32
Bodies Corporate	243	20074623	16.20
Individuals	9506	26938556	21.74
Trusts	1	2000	0.00
Others	81	379856	0.30
Total	9841	123894703	100.00

15. Stock Price Data

The high and low of the share prices of the Company on BSE and NSE is given below:

Month	Bombay Stock Exchange Limited			National Stock Exchange Limited		
	High	Low	Volume	High	Low	Volume
Apr-2012	25.60	16.65	1859866	25.70	16.60	3719139
May-2012	24.80	16.40	2368881	24.75	17.75	3288840
Jun-2012	20.20	16.40	3300924	21.00	16.30	3516045
Jul-2012	19.90	12.60	4215525	19.00	12.50	6726364
Aug-2012	14.75	7.10	3649840	15.00	7.10	4168220
Sep-2012	10.46	8.00	289291	10.90	8.00	934352
Oct-2012	8.50	7.41	225352	8.50	7.40	2605384
Nov-2012	9.42	7.27	1010149	9.35	7.35	1409654
Dec-2012	8.26	5.85	572217	8.20	6.00	637934
Jan-2013	8.10	5.18	484478	8.30	5.95	822213
Feb-2013	6.50	2.62	2181009	6.45	2.70	4113929
Mar-2013	2.95	2.09	1309783	2.90	2.10	1527431

Gemini Communication Share Price Vs. BSE Sensex



16. Outstanding GDRs / ADRs	None
17. Address for Investor correspondence	Mr. M. Raju Compliance Officer, Gemini Communication Limited, 1, Dr. Ranga Road, Alwarpet, Chennai - 600 018 Tel : 91 44 24660570/571 E-mail: sharedept@gcl.in

M. RECONCILIATION OF SHARE CAPITAL AUDIT

A Qualified Practising Company Secretary has carried out Secretarial Audit every quarter to reconcile the admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares with NSDL and CDSL.

N. NON-MANDATORY REQUIREMENTS

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

Chairman's office / Board

The Managing Director is the Chairman of the Company and hence there is no need to maintain a separate chairman's office.

All independent directors are liable to retire by rotation and if eligible, offer themselves for re-appointment. No specific tenure has been fixed for the independent directors.

Remuneration Committee

The Company has constituted a Remuneration Committee. The Terms of Reference of the Committee have been described elsewhere in the Corporate Governance Report.

Shareholders rights

The quarterly results of the Company are published in newspapers and on the Company's website viz., www.gcl.in. These results are not sent to shareholders individually.

Audit Qualifications

The auditors have issued an unqualified opinion on the statutory financial statements of the Company.

Training of Board Members/Mechanism for evaluating non-executive directors

All the Non-Executive Directors have rich experience and expertise in functional areas and attend various programmes in their personal capacities that keep them abreast of relevant developments. Consequently, in the opinion of the Board, they do not require any other training. There is no formal system of evaluating individual directors.

Whistle Blower policy

Presently the Company does not have a whistleblower policy. No employee has been denied access to approach the Audit Committee to report any serious concerns.

For and on behalf of the Board of Directors

R. Vijaykumar

Chennai, August 09, 2013 Chairman & Managing Director

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING
AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

I, R. Vijaykumar, Managing Director of the Company here by confirm that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2012-13 as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges.

For Gemini Communication Limited

Date: August 09, 2013
Place: Chennai

R. Vijaykumar
Managing Director

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

To
The Shareholders of Gemini Communication Limited
Chennai

I have examined the compliance of conditions of Corporate Governance by **Gemini Communication Limited** for the year ended **31st March, 2013**, 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 complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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.

Date : August 09, 2013
Place : Chennai

S. RAMANATH
CHARTERED ACCOUNTANT
Membership No: 029416

Management Discussion and Analysis Report

Financial Performance

Financial Year 2012-13 has been a difficult one in terms of the operating business environment amidst global economic uncertainties and disturbances in many parts of the world.

During financial year 2012-13, the company on a standalone basis registered revenue of Rs. 1397.96 million and a Profit before Tax of Rs. 5.21 million. On a consolidated basis, the company registered revenue of Rs. 3350.41 million and a Profit before Tax of Rs. 321.42 million. Earnings per share stood at Rs. 2.33.

Telecom Services Group

Business outlook

Gemini TSG continues to understand the telecommunication field services and deliver towards customer satisfaction, as done in its earlier years, in India. Gemini TSG had strengthened its team towards enabling them with deep knowledge of the Indian telecommunication market, information on service providers and equipment manufacturers. Gemini TSG continues its partnership with all its key customers, year-on-year, and had been evaluated high on periodic performance measures. Gemini TSG had been among the few companies who had been consistently serving its customers, even during the last year hurdles in telecom market.

Gemini TSG's continued expertise in planning, deployment and field operations, has positioned it as a preferred partner with many leading service providers. The added service capabilities of performance audit, energy audit and managed services, which is driven by its systems and processes, creates its customer value.

Gemini TSG continues to maintain its customers in telecom domain, to their satisfaction, which enables them to get referral service opportunities from existing telecom customers.

Gemini TSG continued to undertake wide range of assignments on demand forecast, network planning, network delivery and network maintenance. The experience and skill set, we are able to apply includes:

- Hands-on experience in the design, development and implementation of wired and wireless telecom networks
- Proven expertise record in 150+ cities
- Wide experience in services for various telecom active equipment
- Well versed in handling managed services
- Driven by CMM level systems and process
- Pan India presence

Gemini TSG has continued long years of experience in offering radio network services for leading services providers and equipment manufacturers. Gemini TSG handles projects in Point-to-point, 3G, GSM, CDMA, etc. Gemini TSG created environment for the young talent to develop and deliver services to its customers, thereby sustaining its competitive advantage.

Given the fact that the urban areas have significantly high teledensity as compared to the rural areas, much of the incremental subscriber's growth, going forward, would have to be driven by addition of rural subscribers. But the rate of penetration of mobile services in the rural areas being slow, overall incremental subscriber growth is likely to slow down.

With revenues from voice services stagnating, future growth is likely to be driven by wireless data services. Telcos have already invested significantly in acquiring spectrum for third generation (3G) and broadband wireless access (BWA) and are now expanding their footprint across the country, albeit cautiously. Till date, revenues from data services remain significantly low in India vis-à-vis other countries largely because of the relatively high pricing; lack of handset affordability and limited content availability.

Besides data, the telecom operators have been looking at other services to bolster their topline. Some business segments that have emerged as important revenue drivers for the industry are: enterprise communications, broadband services, direct-to-home (DTH) and data centres. While each segment has its own set of competitors, the telcos have an advantage, given their established subscriber base, network deployment and technological knowhow.

Telcos have invested heavily for acquiring 3G licenses and rolling out a network for it. But adoption of 3G services has been lower than expected primarily due to the low penetration of compatible handsets and high cost of data services. However, Gemini TSG expects faster adoption of these services in the near term as operators have slashed 3G usage charges significantly. Additionally, availability of a wide variety of affordable mobile devices will boost demand of data services.

Gemini TSG expects the FY 13-14 with high services offered on LTE, along with its current services offering on other technology.

Why Service providers prefer Gemini TSG for their field services:

- Largest field services partner for wireless networks
- Proven ability to deliver services and projects to customers in India
- Servicing entire life-cycle of active wireless infrastructure services (RF Planning, RF survey, RF maintenance, RFNOC services, RF Managed Services, RF Optimization)
- Strategic partnerships with equipment manufacturers to train our team
- High Employee retention ratio within the industry (96%)
- Existing relationship with leading data and voice services providers, for services
- Expertise in Project Management services to provide the clients end-to-end telecom services
- Nationwide presence
- Implemented and implementing many green-field Radio networks (P2MP / MMDS / 3G)
- Multi-technology, Multi-vendor expertise across core, edge and access networks
- Experience across various stages of business life-cycle
- 24 x 7 services for network maintenance

Business Highlights

- Continued to renew its services contract with all its customers and extend the partnership
- Rated as preferred partner by its major customers
- Ability to offer the whole range of active telecom network architecture services
- Evaluated with an overall score of 97% by leading global telecom equipment manufacturer
- Evaluated with "Green-Category" by a leading Indian broadband service provider
- Retained its focus on consultancy services

Point Red Telecom

Industry and Business 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 3G & LTE which represents superior performance and lower costs vis-à-vis currently deployed cellular technologies.

VNI (Virtual Networking Index – Cisco) forecasts that by 2017 the average mobile data speed will increase 7.4 times, from 500 KB/PS in 2012 to 3.9 MB/PS. VNI also predicts that mobile data traffic will grow to 17 times its current volume in the Asia Pacific region by 2017.

4G LTE has far exceeded expectations. From 600,000 users in 2010, it has grown to nearly 100 million subscribers in 2012 and it is further projected that users will double in 2013 and that by 2016 LTE will claim more than 1 billion subscribers. 4G networks already account for 14% of mobile data traffic and by 2017 that number is projected to rise to 45%.

The industry views co-existence of both 3G 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.

Strategies and Focus

- PointRed established its presence in Middle East & Africa substantially last year and it will continue to consolidate its market positions.
- PointRed will accelerate its R&D plans thereby bringing cutting edge technology thus lowering the total cost of ownership.
- PointRed is aggressively pursuing opportunities in India for its cutting edge technology like 3G, 4G & Carrier Wi-Fi.
- PointRed is leading supplier of unlicensed band radios in India and will consolidate its position further by introducing state of art, cost-effective solutions in this financial year.
- PointRed is also actively pursuing opportunity in the ASEAN countries and will seek to establish its market presence in this financial year.
- The Company currently has 3% market share of the total wireless networks and aims to achieve 15% by 2015.

Business Highlights

- Secured Multi Million multi-year contract from leading private telecom operators in India.
- Established its presence in Middle East & Africa
- 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.
- Over 50% of their employees are part of the R&D setup.

System Integration

Future industry outlook

The Industry continues to present a cusp structure, into a technology transition phase, where the effects of IT Security, Cloud computing, mobility solutions and virtualization is gaining priority and mind-share with users, more and more. The need to be innovative and

services driven has assumed a great significance now, more than ever before. As we see the effects of economic uncertainty unfold its caution alarms all around, only industry like Banking and Government seems to continue to stretch its' continued investment in IT infrastructure. In Gemini, we have kept ourselves abreast and skilled, adequately to address the needs of customer's and advice them in such technology transition times.

Cloud Computing is the buzz word in the industry now which is rattling the old technology pursuits in the industry. This is changing the way even giants like Microsoft, SAP, Oracle and HP are going about their business. Cloud computing and its various application off-shoots is likely to impact every Smart Phone and PC user of today. A growth of more than 100% is expected in the next one year.

Mobility Solutions – The telecom infrastructure and the telecom business is going through a similar technology transition phase as data transfer growth indicators are that it would beat the quantum of voice business, very soon and would exponentially grow out to create a large difference between the two. As a result, all Telecom Service Providers are focused on achieving various ways and means by which their data revenues would increase. A growth in excess of 100% is expected in the next year.

Virtualisation – Centralised Management, single point of monitoring, drive to a greener IT infrastructure, cost reduction, etc., is leading the virtualization clamour. Every single organization with multiple applications to be delivered to its staff feels the necessity to opt for such a need. Desktops are also getting virtualized increasingly. Strong growth in excess of 30% is projected.

Future business outlook, strategies and focus areas

Gemini Communication's SI team has been investing on leading technologies that is likely to impact the way people work and communicate.

Gemini has set up a Security Operations Centre, from where we monitor our customer's network for any anomalous packets from entering their network or any activity that could be potentially dangerous to the customer organization. Cyber security threats, Corporate Cyber espionage and many such other threats have been making CxO's spend their time worrying to understand its various means to thwart. By opening up the SOC,

Gemini is one of the 3 companies in India that could offer a guaranteed solution to its customer's to prevent cyber attacks or prevent data theft.

Gemini is also offering Managed Authentication Services, on a cloud model to its customers, by which customers' get authenticated over a One-Time-Password (OTP) to enter any security zone. Again, Gemini is one of the very few companies that could offer such a service. Gemini also does Vulnerability & Penetration Audits apart from Consulting on Security Architecture. Gemini has also been training students in various colleges to spread awareness and to attract talent in areas of Ethical Hacking and Cyber Forensics.

Many of these Security Services that Gemini is offering has been set up on a Cloud platform, thereby opening up a possibility of attracting customers from across the globe.

Today, large users of computing, spread over many geographical locations are learning and investing in the benefits of Desktop virtualization and Gemini has already completed 4 projects. Our customers include Banks, who have the potential to expand the use of this technology in a phased manner across their branches, which could translate to a consistent source of business revenue.

Gemini is investing its efforts in expanding its customer base to a more global level and has entered into partnership agreements with dealers in Oman. Gemini intends to focus on 3 other countries within this financial year for which discussions are ongoing.

The future clearly looks optimistic for the nimble-footed, lean organisations that could be dynamic to re-focus its strategies to build itself on grounds of offering skilled services. The ability to skill up on changing trends has been a hall-mark of Gemini throughout and till this date, Gemini can pride itself on being very focused and defined in its areas of operation.

Independent Auditor's Report

To the Members of Gemini Communication Ltd

Report on the Financial Statements

I have audited the accompanying financial statements of Gemini Communication Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act 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 March 31, 2013;
- b. in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/s.Ramanath & Co.,
Chartered Accountants

S.RAMANATH

Chartered Accountant

Place: Chennai

Membership No: 029416

Date: May 29, 2013

Firm No: 013721s

Annexure to the Auditors' Report:

The Annexure referred to in the Auditors' Report to the Members of M/s Gemini Communications Limited (the Company) for the period ended March 31, 2013. I report that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets which needs to be updated.
- b. The company has a regular program of physical verification of its fixed assets. No material discrepancies are noticed on such verification.
- c. Substantial parts of fixed assets have not been disposed off during the year. In my opinion, the frequency of verification is reasonable.
2. a. The procedures of physical verification of inventories followed by the company are reasonable and adequate in relation to the size of the company and the nature of its business.
- b. The Company maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records are 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. 6354.85 Lakhs. The other clauses are not applicable.

- b. The company has not taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956. The other clause are not applicable.
4. In my opinion and according to the information and explanations given to me, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets, Inventories and the sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in the internal control system.
5. a. According to the information and explanations given to me, In my opinion that the particulars of contracts / arrangements referred to the Section 301 of the Act has been entered into the register maintained u/s 301 of the Companies Act, 1956.
- b. In my opinion and according to the information and explanations given to me, the transactions made in pursuance of such contracts or arrangements have been made at prices which are responsible reasonable having regards to the prevailing market prices at the relevant time.
6. In my opinion and according to the information and explanations given to me, 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 explanation given to me, the maintenance of cost records has not been prescribed by the Central Government under the clause (d) section 209(1) (d) of the Companies Act, 1956 for any of the services rendered by the company.

9. a. The company is depositing, with some delays, with appropriate authorities undisputed statutory dues including provident fund, Employee State Insurance, Income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, wherever applicable, with the appropriate authorities.
- b. According to the records of the company and the information and explanations given to me, there are no disputed amounts payable in respect of Income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess in arrears, as at 31st March 2012 for a period for more than six months from the date they became payable.
- c. According to the information and explanations given to me, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which not have been deposited on account of any dispute.
10. In my opinion, the company has no accumulated losses as at 31st March, 2013 and has not incurred cash losses during the financial year covered under by my audit and preceding financial year.
11. In my opinion and according to the information and explanations given to me, the Company has made payments with some delay in repayment of dues to financial institution, banks or issued any debentures.
12. In my opinion and according to the information and explanations given to me, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In my 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 my opinion, the company is not dealing in or trading in shares, securities, debentures, investments and other securities wherever applicable. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) order, 2004 are not applicable to the company.
15. In my opinion, and according to the information and explanations given to me, 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 my opinion and according to the explanations given to me, the term loans have been applied for the purpose for which they are raised.
17. According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that no funds raised on short-term basis have been used long-term investment.
18. According to the information and explanations given to me, the company has made any 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 me, the Company has not issued any debentures during the year and security for issue of debentures does not arise.
20. According to the information and explanations given to me, the Company has not raised money by public issue 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 me, no fraud on or by the company has been noticed or reported during the course of my audit.

For M/S. Ramanath & Co.,
Chartered Accountants

S. RAMANATH

Chartered Accountant

Membership No: 029416

Firm No: 013721s

Place: Chennai

Date: May 29, 2013

BALANCE SHEET AS AT 31st MARCH 2013

(₹ in lakhs)

Particulars	Note	As at 31-03-2013	As at 31-03-2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	1,238.95	1,064.97
(b) Reserves and surplus	3	18,979.13	11,144.14
		20,218.08	12,209.11
Non-Current Liabilities			
(a) Long-term borrowings	4	4,494.31	5,121.40
(b) Deferred tax liabilities (net)	5	888.32	1,155.48
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
		5,382.63	6,276.88
Current Liabilities			
(a) Short-term borrowings	6	13,148.26	14,904.82
(b) Trade payables		11,061.14	19,455.23
(c) Other current liabilities	7	1,983.34	1,802.89
(d) Short-term provisions	8	570.00	632.05
		26,762.75	36,794.99
Total		52,363.46	55,280.98
II. ASSETS			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		2,634.36	3,544.55
(ii) Intangible assets		3,427.45	5,680.62
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
		6,061.81	9,225.17
Non-current investments	10	5,383.63	5,588.85
(a) Deferred tax assets (net)		-	-
(b) Long-term loans and advances		-	-
(c) Other non-current assets		-	-
(d) Goodwill (on Consolidation)		-	-
		5,383.63	5,588.85
Current assets			
(a) Current investments		-	-
(b) Inventories	11	5,972.37	5,892.83
(c) Trade receivables	12	19,907.54	21,841.59
(d) Cash and bank balances	13	4.24	1,296.66
(e) Short-term loans and advances	14	13,605.53	9,315.44
(f) Other current assets	15	1,428.35	2,120.45
		40,918.02	40,466.97
Total		52,363.46	55,280.98

Notes forming part of the financial statements

1 - 34

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No.029416
Prop.M/s. Ramanath & Co.,
Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 29, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013			
Particulars	Note	For the year ended 31-03-2013	For the year ended 31-03-2012
(₹ in lakhs)			
I. Revenue from operations	16	13,973.87	28,490.15
II. Other Income (net)	17	5.69	114.37
Total Revenue (I + II)		13,979.56	28,604.52
III. Expenses			
(a) Employee benefit expenses	18	2,030.61	2,888.19
(b) Operation and other expenses	19	6,676.33	19,125.75
(c) Finance costs	20	2,057.14	2,865.98
(d) Depreciation and amortization expense	9	3,163.35	3,545.26
Total Expenses		13,927.45	28,425.17
IV. Profit before tax		52.11	179.35
V. Tax expense			
(a) Current tax		17.00	35.84
(b) Deferred tax		(267.15)	(43.52)
(c) MAT credit entitlement			
		(250.15)	(7.68)
VI. Profit after tax		(198.04)	187.03
Earnings per equity share of face value ₹ 1			
Basic and Diluted Earning per share (₹)		(0.17)	0.18

Notes forming part of the financial statements**1-34**

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
 Membership No.029416
 Prop.M/s. Ramanath & Co.,
 Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 29, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013		
(₹ in lakhs)		
Particulars	Year ended 31-03-2013	Year ended 31-03-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	52.11	179.35
Adjustments for:		
Depreciation and Amortisation	3,163.35	3,545.26
Interest Income	(5.69)	(53.26)
Interest Expense	2,057.14	2,865.98
Operating Cash Flow Before Working Capital Changes	5,266.92	6,537.33
Adjustments for:		
Decrease (increase) in sundry debtors	1,934.05	4,873.85
Decrease (increase) in inventories	(79.53)	1,059.61
Decrease (increase) in Other current assets	692.10	(1,048.77)
Decrease (increase) in loans and advances	(5,099.35)	(1,333.58)
Increase / (Decrease) in Trade and other payables	8,213.63	(4,617.57)
Cash generated from / (used in) Operations	10,927.82	5,470.88
Income Taxes paid during the year	-	-
Net Cash generated from / (used in) Operating Activities during the year - A	10,927.82	5,470.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(3,943.18)
Purchase of long term investments	(205.22)	(10.00)
Interest income	5.69	53.26
Net Cash generated from / (used in) Investing Activities during the year - B	(199.53)	(3,899.93)

Table Continued

C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	(106.90)
Tax on Dividend Paid	-	(24.90)
Increase / (Decrease) in Loan Funds	(1,756.56)	1,177.58
Interest Expense	(2,057.14)	(2,865.98)
Issue of Share Capital (including share premium)	(8,207.01)	(96.45)
Net Cash generated from Financing Activities during the year - C	(12,020.72)	(1,916.64)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,292.42)	(345.69)
Cash and Bank balances as at the beginning of the year	1,296.66	1,642.35
Cash and Bank balances at the end of the year	4.24	1,296.66

Note: 1. Cash and Bank balances represent Cash, Balances with Banks in Current Account and Fixed Deposits

2. Figures in brackets indicate Cash outflow,

3. Figures for the previous year have been regrouped / rearranged wherever found necessary

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant

Membership No.029416

Prop. M/s. Ramanath & Co.,

Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 29, 2013

Notes Forming Part of the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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 when the right to receive the payment is established.

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

C. 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.

D. 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.

E. 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

F. 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.

G. INVENTORIES

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

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. CASH FLOW STATEMENT

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

N. EARNINGS PER SHARE

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

O. 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.

P. 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.

Q. 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.

2. SHARE CAPITAL

Share capital consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
15,00,00,000 Equity Shares of ₹ 1/- each		
Authorised		
15,00,00,000 Equity share of ₹ 1/- each (31 st March 2012: 15,00,00,000 Equity share of ₹ 1/- each)	1,500.00	1,500.00
Issued, Subscribed & paid up		
123894703 Equity share of ₹ 1/- each (31 st March 2012: 10,64,97,000 Equity share of ₹ 1/- each)	1,238.95	1,064.97
	1,238.95	1,064.97

a. Reconciliation of number of shares

	As at 31 st March 2013		As at 31 st March 2012	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Equity shares				
Opening balance (face value - ₹ 1)	1,064.97	1,064.97	1,068.98	1,068.98
Issue of shares	197.47	197.47	-	-
Buyback of shares	23.49	23.49	4.01	4.01
Closing balance	1,238.95	1,238.95	1,064.97	1,064.97

b. Shares held by holding company, its subsidiaries and associates

The company does not have any holding company.

c. Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a face value of ₹ 1/- per share. Each shareholder is eligible for one vote for each share held in the company. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

d. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 st March 2013		As at 31 st March 2012	
	No of shares	% of share capital	No of shares	% of share capital
RAMAMURTHY VIJAYAKUMAR	29,468,809	23.79%	26,968,809	25.32%
RADHIKA VIJAYKUMAR	10,952,304	8.84%	10,952,304	10.28%
RAMAMURTHY RAMKUMAR	5,649,940	4.56%	5,649,940	5.30%
MERRILL LYNCH INTERNATIONAL	19,746,885	15.94%	NIL	NIL
GPC MAURITIUS II LLC	12,500,000	10.09%	12,500,000	11.74%
RHODES DIVERSIFIED	NIL	NIL	7,062,025	6.63%

e. Shares allotted as fully paid up by way of bonus shares (during the 5 years preceding 31st March 2013)

(96,68,000 shares were issued as fully paid bonus shares during the year 2007-08 by capitalising Profit & Loss A/c)

3. RESERVES AND SURPLUS

Reserves and surplus consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Securities premium account		
Opening balance	4,041.63	4,134.06
Add: Current year receipts	8,033.03	(92.43)
Closing balance	12,074.66	4,041.63
(b) Surplus in statement of profit & loss		
As per Last Year Balance Sheet	6,398.86	6,211.83
Add: Profit for the year	(198.04)	187.03
Closing balance	6,200.82	6,398.86
(c) Capital Profit		
Opening Balance	204.79	204.79
Add: Transferred from / (to) statement of Profit and Loss	-	-
Closing Balance	204.79	204.79
(d) General Reserve		
Opening Balance	498.86	498.86
Add: Transferred from / (to) statement of Profit and Loss	-	-
Closing Balance	498.86	498.86
	18,979.13	11,144.14

4. LONG-TERM BORROWINGS (SECURED)

Long-term borrowings consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) From Bank - Term Loan	4,440.03	4,977.46
(b) From - Others	54.28	143.95
	4,494.31	5,121.40

5. DEFERRED TAX BALANCES

Deferred tax balances consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Deferred tax liabilities		
(i) Depreciation and amortisation	1,155.48	1,199.00
(ii) Expenses allowed for tax purpose	267.15	(43.52)
	888.32	1,155.48

6. SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
Secured		
(a) From Bank - Cash Credit	13,148.26	6,674.32
Unsecured		
(a) 6% Convertible Bonds 2012 (Refer Note 31)	-	8,230.50
	13,148.26	14,904.82

7. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Trade Payables	11,061.14	19,455.23
(b) Other Liabilities	1,983.34	1,802.89
	13,044.49	21,258.12

8. SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Tax on proposed equity dividend	17.75	17.75
(b) Provision for Income Tax	501.04	563.09
(c) Provision for Gratuity	51.21	51.21
	570.00	632.05

9. FIXED ASSETS

Fixed assets consist of the following:

(₹ in lakhs)

Particulars	Gross Block			Depreciation				Net Block	
	As at 01.04.12	Additions during the Year	Deletion	As at 31.03.13	As At 01.04.12	For the Year	Deletion	As at 31.03.13	As At 31.03.12
LAND & BUILDING :									
Land	352.36	0.00	0.00	352.36	0.00	0.00	0.00	352.36	352.36
Building	318.77	0.00	0.00	318.77	29.11	5.20	0.00	284.46	289.66
PLANT & MACHINERY :									
Computer Machinery	1707.38	0.00	0.00	1707.38	1302.50	276.77	0.00	1579.27	404.88
Networking Equipments	1260.20	0.00	0.00	1260.20	266.52	252.04	0.00	518.56	993.68
Software	4322.86	0.00	0.00	4322.86	1259.70	1440.81	0.00	2700.51	3063.15
FURNITURES & FIXTURES :									
Xerox Machine	1.26	0.00	0.00	1.26	1.26	0.09	0.00	1.34	-0.09
Telephone	2.21	0.00	0.00	2.21	1.93	0.16	0.00	2.09	0.12
Furniture & Fixtures	179.26	0.00	0.00	179.26	80.03	11.35	0.00	91.38	87.88
Electrical Fittings	648.70	0.00	0.00	648.70	203.01	41.06	0.00	244.08	404.62
Modems	4.63	0.00	0.00	4.63	4.63	0.33	0.00	4.95	-0.33
Office Equipments	56.55	0.00	0.00	56.55	30.00	4.00	0.00	34.00	22.55
UPS	48.10	0.00	0.00	48.10	29.08	3.40	0.00	32.49	15.62
PROJECT ASSETS:									
Computer Machinery	2079.63	0.00	0.00	2079.63	1817.46	98.78	0.00	1916.24	163.39
Software	4061.80	0.00	0.00	4061.80	1444.34	812.36	0.00	2256.70	1805.10
Electrical Fittings	1680.35	0.00	0.00	1680.35	1446.56	118.80	0.00	1565.36	114.99
Dot Matrix Printers	86.53	0.00	0.00	86.53	79.59	6.12	0.00	85.71	0.82
Networking Equipments	431.92	0.00	0.00	431.92	32.03	86.38	0.00	118.41	313.51
VEHICLES, ETC. :									
Vehicles	60.18	0.00	0.00	60.18	49.75	5.72	0.00	55.47	4.71
INTANGIBLE ASSETS:									
IPR / Know-how	468.87	0.00	0.00	468.87	468.87	0.00	0.00	468.87	0.00
TOTAL	17771.55	0.00	0.00	17771.55	8546.38	3163.35	0.00	11709.74	6061.81
Previous Year	17691.40	3943.18	3863.04	17771.55	3545.26	3863.04	0.00	8546.38	9225.17
									8827.24

10. NON - CURRENT ASSETS

Non - current assets consist of the following

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(b) Non - Current Investments		
(Trade - Unquoted - Fully Paid)		
Gemini Traze RFID Pvt. Ltd. (100% Subsidiary)	568.50	568.50
(56,85,000 Shares of Rs.10 each at par)		
Point Red Telecom Pvt. Ltd (100% Subsidiary)	1,013.11	1,218.33
(1,01,31,100 shares of Rs.10 each at cost)		
Gemini Infotech Ltd (100% Subsidiary)	3,791.02	3,791.02
(3,60,00,000 shares of HK\$ 1 each at cost)		
Gemini Geoss Energy Pvt Ltd	1.00	1.00
(10,000 Shares of Rs.10 each)		
Union Bank of India - Mutual Fund	10.00	10.00
	5,383.63	5,588.85

11. INVENTORIES

Inventories consist of the following

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
Stock in Trade	5,972.37	5,892.83
	5,972.37	5,892.83

12. TRADER ECEIVABLES

Trade receivables consist of the following:

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Over six months from the date they were due for payment		
(i) Considered good	15,113.89	18,877.03
(ii) Considered doubtful	-	-
(b) Others		
(i) Considered good	4,793.66	2,964.57
(ii) Considered doubtful	-	-
	19,907.55	21,841.59

13. CASH AND BANK BALANCES

Cash and bank balances consist of the following

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
Cash on Hand	4.24	1.52
Balance with Scheduled Bank		
In Current Accounts	-	207.72
In Unpaid Dividend A/cs	-	11.35
In Margin with Bank Of India	-	975.05
In Fixed Deposit Accounts	-	100.00
Balance with Non-Scheduled Banks		
In Current Accounts	-	1.02
	4.24	1,296.66

14. SHORT-TERM LOANS AND ADVANCES (Unsecured)

Short-term loans and advances consist of the following

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Advances recoverable in cash or in kind	13,605.53	9,315.44
(b) Trade Advances	-	-
	13,605.53	9,315.44

15. OTHER CURRENT ASSETS

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
(a) Telephone & Rent Deposits	47.00	47.00
(b) EMD & Security Deposits	286.01	286.01
(c) Other Current Assets	289.39	504.66
(d) Prepaid Expenses	67.32	737.66
(e) TDS Receivables	738.63	545.11
	1,428.35	2,120.45

16. REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
(a) Sales income from Network Product & Services	13,973.87	28,490.15
	13,973.87	28,490.15

17. OTHER INCOME

Other income consist of the following:

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
(a) Interest received from Banks	5.69	53.26
(b) Commissions & Other Incomes	-	61.11
	5.69	114.37

18. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
(a) Salaries, Wages & Bonus	1,975.29	2,665.37
(b) PF Contribution, ESI	31.33	164.10
(c) Staff Welfare	-	10.72
(d) Directors Remuneration	24.00	48.00
	2,030.61	2,888.19

19. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended 31 st March 2013 (₹ in lakhs)	For the year ended 31 st March 2012 (₹ in lakhs)
Cost of Materials & Project Expenses	3,784.00	16,568.09
Increase / (Decrease) in Stock	(79.53)	1,059.61
Rent	93.80	140.53
Electricity	18.86	18.96
Travelling & Conveyance	82.66	80.38
Postage & Telephone Charges	150.14	233.88
Repairs & Maintenance - Vehicles	1.36	0.57
Repairs & Maintenance- Others	7.13	8.71
Books & Periodicals	2.34	-
Printing & Stationery	5.45	10.76
Training Expenses	1.09	1.05
Audit Fee	10.80	10.80
Donation	-	0.10
Consultancy Charges	36.77	69.41
Entertainment	0.07	-
Insurance Premium	2.81	13.36
Legal Fees	1.32	6.34
Office Maintenance	30.61	38.34
Secretarial Expenses	4.96	9.17
Rates & Taxes	1.12	5.23
Sundry Expenses	168.71	189.50
Buyback Expenses	-	15.89
Bad debts	228.37	-
Exchange Rate Difference Loss	1.48	-
Lease Rent	1,881.05	627.13
Advertisement Expenses	-	0.23
Business Promotion Expenses	240.96	9.79
Commission, Discount, etc	-	7.93
	6,676.33	19,125.75

20. FINANCE COSTS

Finance costs consist of the following:

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
(a) Interest and finance charges	2,057.14	2,865.98
	2,057.14	2,865.98

21. DEFERRED TAX LIABILITY

The provision for deferred tax liability for the year ended March 31, 2013 has been made in accordance with Accounting Standard 22 on Accounting for Taxes on Income. The Deferred Tax Liability as at March 31, 2012 is on account of Depreciation of ₹ 1155.48 Lakhs and the Deferred Tax Liability as at 31st March, 2013 is ₹ 888.32 Lakhs.

22. FOREIGN EXCHANGE TRANSACTIONS

The following are the transactions in Foreign Exchange: -

Particulars	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)
F.O.B. Value of imports	NIL	4339.421
Earnings in Foreign Exchange	NIL	NIL
Expenditure in Foreign Currency on account of Administrative expenses	NIL	NIL
Unsecured Loan –Interest on FCCB	82.00	477.93

23. 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, 2013 are as follows:

(₹ in lakhs)

	31st March, 2013	31st March, 2012
Lease rentals paid (including HP EMI's)		
Lease rentals paid during the year	1881.05	627.13

Future lease obligations	As at 31st March, 2013	As at 31st March, 2012
Due within 1 year from the balance sheet date	344.54	732.43
Due between 1 and 5 years	Nil	Nil
Due after 5 years	Nil	Nil

24. 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.

25. AUDIT FEES

Particulars	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)
Statutory Audit (inclusive of service tax)	9.00	9.00
Tax Audit (inclusive of service tax)	1.80	1.80
Total	10.80	10.80

26. SEGMENT REPORTING

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

27. RELATED PARTY DISCLOSURE

TRANSACTIONS WITH RELATED PARTIES:

Key Management Personnel

R. Vijaykumar – Chairman & Managing Director

R. Ramkumar – Whole-time Director

(₹ in lakhs)

Name of the Key Management Personnel	Relationship	Nature of Payment	2012-13	2011-12
R. Vijaykumar	Director	Salary	NIL	12.00
R. Ramkumar	Whole-time Director	Salary	24.00	24.00
R. Ramkumar	Whole-time Director	Lease Rent	2.00	2.00
R. Ramkumar	Whole-time Director	Lease Advance Outstanding (as at year end)	24.00	26.00

Subsidiary & Associate Companies

- Gemini Traze RFID Private Limited (RFID) (100% Subsidiary)
- Point Red Telecom Limited (Pointred) (100% Subsidiary)
- Gemini Infotech Limited, Hong Kong (100% Subsidiary)
- PR Wireless Tech Limited, Hong Kong (100% Subsidiary of Pointred)
- Gemini FTZ, Dubai (100% Subsidiary)
- Gemini Geoss Energy Private Ltd (100% Subsidiary)

Summary of transactions with the above-related parties are as follows
(₹ in lakhs)

Name of Transaction	Transactions for the Period Ended		Balances outstanding as at	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
Loan Given to RFID	28.72	Nil	28.72	Nil
Purchases from RFID	605.79	4.07	613.01	8.33
Sales to RFID	Nil	767.86	Nil	Nil
Loans Given to Pointred	1053.06	5080.55	6133.61	5080.55
Purchases from Pointred	6.83	4238.44	4245.27	20,574.04
Sales to Pointred	Nil	Nil	Nil	Nil
Sales to Veeras Infotech Pvt. Ltd	0.66	40.63	28.00	9.68
Purchases from Veeras Infotech Pvt. Ltd	Nil	Nil	705.09	33.84
Advance to Veeras Infotech Pvt Ltd	Nil	Nil	Nil	Nil
Purchases from PR Wireless Tech Ltd	Nil	Nil	769.68	Nil
Advance to PR Wireless Tech Ltd	610.77	Nil	610.77	Nil
Advance to Gemini Infotech Ltd	3.26	Nil	3.26	Nil
Advance from Gemini Infotech Ltd	Nil	Nil	Nil	Nil
Loan Given to Gemini Geos Energy Private Ltd.	69.25	141.25	186.75	141.25

- 28.** The estimated amount of contracts remaining to be executed on account of Capital account as at 31st March 2013: Nil
- 29.** Bank Guarantees outstanding as on 31.03.2013 is ₹ 745.21 Lakhs (P.Y ₹ 5022.485 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.

30. EARNINGS PER SHARE

Particulars	As at 31 st March 2013	As at 31 st March 2012
Profit available to Equity Share holders used as Numerator - (A) ₹	(19,803,903)	18,702,553
Number of Shares outstanding	123894703	106496776
Weighted Average Number of shares outstanding - (B)	113509826	106866258
Earnings per share (Basic/Diluted) - (A/ B) ₹	(0.17)	0.18

The FCCBs outstanding as at 31st March 2012 were anti dilutive.

31. The FCCBs have been converted in to equity shares on 1st November 2012.
32. Sundry Debtors include amount due from subsidiary companies amounting to NIL (P.Y Rs. 9.68 lakhs).
33. Sundry Creditors include an amount of Rs. 2427 Lakhs (P.Y Rs. 20626.17 lakhs) due to subsidiary Companies.
34. Figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No.029416
Prop.M/s. Ramanath & Co.,
Firm No.013721s

R. VIJAYKUMAR
Chairman & Managing Director

R. RAMKUMAR
Whole-time Director

Place : Chennai

Date : May 29, 2013

Independent Auditor's Report on Consolidated Financial Statements

To the Board of Directors of Gemini Communication Ltd

I have audited the accompanying consolidated financial statements of Gemini Communication Ltd ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including

the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the consolidated financial statements 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 state of affairs of the Company as at March 31, 2013;
- b. in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

S. Ramanath

Chartered Accountant

Membership No: 029416

Prop. M/s. Ramanath & Co.

Firm No.013721s

Place: Chennai

Date: May 29, 2013

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2013

(₹ in lakhs)

Particulars	Note	As at 31-03-2013	As at 31-03-2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	1,238.95	1,064.97
(b) Reserves and surplus	3	34,769.16	23,411.33
		36,008.10	24,476.29
Minority Interest		-	256.05
Non-Current Liabilities			
(a) Long-term borrowings	4	19,995.35	18,947.90
(b) Deferred tax liabilities (net)	5	1,202.41	1,274.34
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
		21,197.76	20,222.24
Current Liabilities			
(a) Short-term borrowings	6	16,576.46	19,703.44
(b) Trade payables		20,714.26	5,930.70
(c) Other current liabilities	7	4,271.70	2,473.91
(d) Short-term provisions	8	1,360.95	1,473.19
		42,923.38	29,581.24
Total		100,129.24	74,535.82
II. ASSETS			
Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		2,383.75	4,797.45
(ii) Intangible assets		7,271.31	8,790.35
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
		9,655.06	13,587.81
(b) Non-current investments	10	10.00	10.00
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
(f) Goodwill (on Consolidation)		470.65	470.65
		480.65	480.65
Current assets			
(a) Current investments		-	-
(b) Inventories	11	6,938.39	7,127.34
(c) Trade receivables	12	62,383.61	34,888.90
(d) Cash and bank balances	13	399.22	2,314.75
(e) Short-term loans and advances	14	10,675.20	5,838.89
(f) Other current assets	15	9,597.13	10,297.49
		89,993.54	60,467.37
Total		100,129.24	74,535.82

Notes forming part of the consolidated financial statements 1-30

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No.029416
Prop. M/s. Ramanath & Co.,
Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 9, 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

(₹ in lakhs)

Particulars	Note	For the year ended 31-03-2013	For the year ended 31-03-2012
I. Revenue from operations	16	33,090.96	54,102.08
II. Other Income (net)	17	413.16	408.28
Total Revenue (I + II)		33,504.11	54,510.36
III. Expenses			
(a) Employee benefit expenses	18	2,456.81	3,988.30
(b) Operation and other expenses	19	21,272.85	36,668.07
(c) Finance costs	20	2,666.88	5,157.90
(d) Depreciation and amortization expense	9	3,893.39	5,439.44
Total Expenses		30,289.93	51,253.72
IV. Profit before tax		3,214.18	3,256.64
V. Tax expense			
(a) Current tax		17.00	74.91
(b) Deferred tax		554.28	(481.12)
(c) MAT credit entitlement			
		571.28	(406.21)
IV. Profit after tax		2,642.90	3,662.85
VII. Minority Interest		-	(44.26)
VIII. Profit for the year		2,642.90	3,618.58
Earnings per equity share of face value ₹ 1			
Basic and Diluted Earning per share (₹)		2.33	3.40

Notes forming part of the consolidated financial statements 1-30

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No.029416
Prop. M/s. Ramanath & Co.,
Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 9, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013

Particulars	Year ended 31-03-2013 (₹ in lakhs)	Year ended 31-03-2012 (₹ in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	3,214.18	3,256.64
Adjustments for:		
Depreciation and Amortisation	3,893.39	5,439.44
(Profit) / Loss on sale of Fixed assets	(215.25)	(0.08)
Interest Income	-	(176.37)
Interest Expense	2,666.88	5,157.90
Exchange differences on translation of foreign currency cash and cash equivalents	-	(4.83)
Operating Cash Flow Before Working Capital Changes	9,559.20	13,672.71
Adjustments for:		
Decrease (increase) in sundry debtors	(27,580.48)	3,876.73
Decrease (increase) in inventories	188.95	2,095.48
Decrease (increase) in Other current assets	700.36	(7,102.77)
Decrease (increase) in loans and advances	(4,836.30)	(263.40)
Increase / (Decrease) in Trade and other payables	16,581.35	(3,050.74)
Cash generated from / (used in) Operations	(5,386.91)	9,228.01
Income Taxes paid during the year	-	174.38
Net Cash generated from / (used in) Operating Activities during the year - A	(5,386.91)	9,402.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(4,341.52)
Sale of Fixed Assets	(39.36)	(289.78)
Interest income	-	176.37
Net Cash generated from / (used in) Investing Activities during the year - B	(39.36)	(4,454.93)

C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	43.00	63.90
Tax on Dividend Paid	7.14	19.15
Increase / (Decrease) in Loan Funds	(2,079.52)	(1,134.18)
Interest Expense	(2,666.88)	(5,157.90)
Issue of Share Capital (including share premium)	8,207.01	(96.45)
Net Cash generated from Financing Activities during the year - C	3,510.74	(6,305.47)
D. EXCHANGE DIFFERENCE		
Exchange difference on translation of foreign currency cash and cash equivalents	-	4.83
Net increase / (decrease) in cash and cash equivalents (A + B + C + D)	(1,915.53)	(1,353.19)
Cash and Bank balances as at the beginning of the year	2,314.75	3,667.94
Cash and Bank balances at the end of the year	399.22	2,314.75

Note: 1. Cash and Bank balances represent Cash, Balances with Banks in Current Account and Fixed Deposits

2. Figures in brackets indicate Cash flow

3. Figures for the previous year have been regrouped / rearranged wherever found necessary

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
 Membership No.029416
 Prop. M/s. Ramanath & Co.,
 Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 9, 2013

Notes Forming part of the Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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

Sl. No	Name of the Entity	Country of Incorporation	Ownership at March,31,2013 held by	Status	% of ownership held either directly or through subsidiaries as at March,31,2013	Date on which became subsidiary
1.0	Gemini Trazee RFID Pvt. Ltd	India	Gemini Communication Ltd	Subsidiary	100%	April 01,2006
2.0	Pointred Telecom Pvt. Ltd	India	Gemini Communication Ltd	Subsidiary	100%	June 21,2006
3.0	PR Wireless Tech Limited	Hong Kong	Pointred Telecom Ltd	Subsidiary	100%	November 25,2008
4.0	Gemini Infotech Limited	Hong Kong	Gemini Communication Ltd	Subsidiary	100%	April 01,2008
5.0	Gemini Geos Energy Pvt. Ltd	India	Gemini Communication Ltd	Subsidiary	100%	January 27,2011
6.0	Gemini FTZ, Dubai	Dubai	Gemini Communication Ltd	Subsidiary	100 %	March 24, 2012

C. 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 when the right to receive the payment is established.

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

D. 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.

E. 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.

F. 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

G. 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.

H. INVENTORIES

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

I. 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.

J. 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.

L. 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.

M. 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.

N. 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.

O. CASH FLOW STATEMENT

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

P. EARNINGS PER SHARE

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

Q. 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.

R. 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.

S. 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.

2. SHARE CAPITAL

Share capital consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
15,00,00,000 Equity Shares of Rs.1/- each		
Authorised		
15,00,00,000 Equity share of Rs. 1/- each (31st March 2012:15,00,00,000 Equity share of Rs. 1/- each)	1,500.00	1,500.00
Issued, Subscribed & paid up		
123894703 Equity share of Rs. 1/- each (31st March 2012: 10,64,97,000 Equity share of Rs. 1/- each)	1,238.95	1,064.97
	1,238.95	1,064.97

a. Reconciliation of number of shares

	As at 31 st March 2013		As at 31 st March 2012	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
Equity shares				
Opening balance (face value - Rs. 1)	1,064.97	1,064.97	1,068.98	1,068.98
Issue of shares	197.47	197.47	-	-
Buyback of shares	23.49	23.49	4.01	4.01
Closing balance	1,238.95	1,238.95	1,064.97	1,064.97

b. Shares held by holding company, its subsidiaries and associates

The company does not have any holding company.

c. Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a face value of ₹ 1/- per share. Each shareholder is eligible for one vote for each share held in the company. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

d. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 st March 2013		As at 31 st March 2012	
	No of shares	% of share capital	No of shares	% of share capital
RAMAMURTHY VIJAYKUMAR	29,468,809	23.79%	26,968,809	25.32%
RADHIKA VIJAYKUMAR	10,952,304	8.84%	10,952,304	10.28%
RAMAMURTHY RAMKUMAR	5,649,940	4.56%	5,649,940	5.30%
MERRILL LYNCH INTERNATIONAL	19,746,885	15.94%	NIL	NIL
GPC MAURITIUS II LLC	12,500,000	10.09%	12,500,000	11.74%
RHODES DIVERSIFIED	NIL	NIL	7,062,025	6.63%

e. Shares allotted as fully paid up by way of bonus shares (during the 5 years preceding 31st March 2013)

(96,68,000 shares were issued as fully paid bonus shares during the year 2007-08 by capitalising Profit & Loss A/c)

3. RESERVES AND SURPLUS

Reserves and surplus consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Securities premium account		
Opening balance	4,041.63	4,134.06
Add: Current year receipts	8,033.03	(92.43)
Closing balance	12,074.66	4,041.63
(b) Surplus in statement of profit & loss		
As per Last Year Balance Sheet	18,776.73	15,312.03
Add: Profit for the year	3,214.11	3,404.17
	21,990.84	18,716.20
Less: Appropriations		
Proposed dividend on equity shares	-	43.00
Tax on dividend	-	7.14
	-	50.14
Closing balance	21,990.84	18,666.06
(c) Capital Profit		
Opening Balance	204.79	204.79
Add: Transferred from / (to) statement of Profit and Loss	-	-
Closing Balance	204.79	204.79
(d) General reserve		
Opening Balance	498.86	498.86
Add: Transferred from / (to) statement of Profit and Loss	-	-
Closing Balance	498.86	498.86
	34,769.16	23,411.34

4. LONG-TERM BORROWINGS (SECURED)

Long-term borrowings consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) From Bank - Term Loan	19,941.07	18,197.89
(b) From - Others	54.29	750.01
	19,995.35	18,947.90

5. DEFERRED TAX BALANCES

Deferred tax balances consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Deferred tax liabilities		
(i) Depreciation and amortisation	1,274.34	1,755.46
(ii) Expenses allowed for tax purpose	(71.93)	(481.12)
	1,202.41	1,274.34

6. SHORT-TERM BORROWINGS

Short-term borrowings consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
Secured		
(a) From Bank - Cash Credit	16,576.46	11,472.94
Unsecured		
(a) 6% Convertible Bonds 2012 (Refer Note 29)	-	8,230.50
	16,576.46	19,703.44

7. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Trade Payables	20,714.26	5,930.70
(b) Other Liabilities	4,271.70	2,379.66
(c) Advance Received from Customers	-	94.24
	24,985.96	8,404.61

8. SHORT-TERM PROVISIONS

Short-term provisions consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Proposed equity dividend	-	475.04
(b) Tax On proposed equity dividend	17.75	17.75
(c) Provision for Income Tax & Wealth Tax	809.31	915.68
(d) Provision for Fringe Benefit Tax	0.99	0.99
(e) Provision for Gratuity	63.72	63.72
(f) Provision for Salaries	36.01	-
(g) Provision for Others	433.16	-
	1,360.95	1,473.19

Fixed assets consist of the following:

Particulars	Gross Block			Depreciation			Net Block			
	As At 1 st April 2012	Additions	Deletions / Adjustments *	As At 31 st March 2013	Upto 1 st April 2012	For the year 2012-13	Deletions / Adjustments *	Upto 31 st March 2013	As at 31 st March 2013	As at 31 st March 2012
(i) Tangible Assets										
LAND & BUILDING :										
Land	674.20			674.20	-			-	674.20	674.20
Land - Lease hold	508.16			508.16	33.67	0.20		33.87	474.28	474.49
Building	40.12			40.12	9.74	14.67		24.40	15.72	30.38
PLANT & MACHINERY :										
Computer Machinery	1,858.23			1,858.23	1,397.48	1,732.49		3,129.97	(1,271.73)	460.76
Networking Equipments	1,900.43			1,900.43	415.09	287.34		702.43	1,198.01	1,485.34
FURNITURES & FIXTURES :										
Xerox Machine	1.26			1.26	1.26	0.09		1.34	(0.09)	0.00
Telephone	2.21			2.21	1.93	0.16		2.09	0.12	0.28
Furniture & Fixtures	305.00			305.00	120.04	14.12		134.17	170.84	184.96
Electrical Fittings	659.20			659.20	205.05	41.11		246.16	413.05	454.15
Modems	4.63			4.63	4.63	0.33		4.95	(0.33)	0.00
Office Equipments	73.34			73.34	44.85	4.00		48.85	24.49	28.48
UPS	48.10			48.10	29.08	3.40		32.49	15.62	19.02
PROJECT ASSETS:										
Computer Machinery	2,079.63			2,079.63	1,817.46	98.78		1,916.24	163.39	262.17
Electrical Fittings	1,680.35			1,680.35	1,446.56	118.80		1,565.36	114.99	233.79
Dot Matrix Printers	86.53			86.53	79.59	6.12		85.71	0.82	6.94
Networking Equipments	431.92			431.92	32.03	86.38		118.41	313.51	399.90
VEHICLES, ETC. :										
Vehicles	145.55			145.55	62.96	5.73		68.69	76.86	82.59
Total	10,498.87	-	-	10,498.87	5,701.42	2,413.71	-	8,115.12	2,383.75	4,797.45
Previous year	10,174.47	356.09	31.69	10,498.87	4,443.17	1,276.67	18.42	5,701.42	4,797.45	5,731.30
(ii) Intangible Assets										
Software	14,442.41		425.68	14,016.73	6,553.33	1,382.24	386.32	7,549.25	6,467.49	7,889.08
IPR / Know-how	1,860.94	-	-	1,860.94	959.67	97.44		1,057.12	803.82	901.27
				-	-			-	-	-
Total	16,303.36	-	425.68	15,877.68	7,513.00	1,479.69	386.32	8,606.37	7,271.31	8,790.35
Previous year	16,180.96	3,985.43	3,863.04	16,303.36	6,936.75	4,162.78	3,586.53	7,513.00	8,790.35	9,244.21
Grand Total	26,802.23	-	425.68	26,376.54	13,214.42	3,893.39	386.32	16,721.49	9,655.05	13,587.81

10. NON - CURRENT INVESTMENTS

Non - current assets consist of the following

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
Union Bank of India - Mutual Fund	10.00	10.00
	10.00	10.00

11. INVENTORIES

Inventories consist of the following

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
Stock in Trade	6,938.39	7,127.34
	6,938.39	7,127.34

12. TRADER ECEIVABLES

Trade receivables consist of the following:

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Over six months from the date they were due for payment		
(i) Considered good	45,839.08	23,324.47
(ii) Considered doubtful	-	-
(b) Others		
(i) Considered good	16,544.53	11,564.43
(ii) Considered doubtful	-	-
	62,383.61	34,888.90

13. CASH AND BANK BALANCES

Cash and bank balances consist of the following

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
Cash on Hand	4.34	3.42
Balance with Scheduled Bank		
In Current Accounts	394.87	435.19
In Unpaid Dividend A/cs	-	11.35
In Margin with Bank Of India	-	1,448.46
In Fixed Deposit Accounts	-	411.47
Balance with Non-Scheduled Banks		
In Current Accounts	-	4.86
	399.22	2,314.75

14. SHORT-TERM LOANS AND ADVANCES (Unsecured)

Short-term loans and advances consist of the following

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Advances recoverable in cash or in kind	10,675.20	5,548.89
(b) Trade Advances	-	290.00
	10,675.20	5,838.89

15. OTHER CURRENT ASSETS

	As at 31 st March 2013 (₹ in lakhs)	As at 31 st March 2012 (₹ in lakhs)
(a) Telephone & Rent Deposits	47.00	67.60
(b) EMD & Security Deposits	286.01	361.33
(c) Other Current Assets	8,458.17	8,054.55
(d) Prepaid Expenses	67.32	906.78
(e) TDS Receivables	738.63	907.22
	9,597.13	10,297.49

16. REVENUE FROM OPERATIONS

Revenue from operations consist of revenues from:

	For the year ended 31 st March 2013 (₹ in lakhs)	For the year ended 31 st March 2012 (₹ in lakhs)
(a) Sales income from Network Product & Services	33,090.96	54,102.08
	33,090.96	54,102.08

17. OTHER INCOME (net)

Other income consist of the following:

	For the year ended 31 st March 2013 (₹ in lakhs)	For the year ended 31 st March 2012 (₹ in lakhs)
(a) Interest received from Banks	-	176.37
(b) Commissions & Other Incomes	197.91	236.66
(c) Exchange Rate Difference Gain	-	(4.83)
(d) Profit on Sale of asset	215.25	0.08
	413.16	408.28

18. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended 31 st March 2013 (₹ in lakhs)	For the year ended 31 st March 2012 (₹ in lakhs)
(a) Salaries, Wages & Bonus	2,396.82	3,645.82
(b) Contribution to PF, ESI, etc	35.99	180.39
(c) Incentive	-	2.98
(d) Staff Welfare	-	34.53
(e) Directors Remuneration	24.00	121.38
(f) Gratuity	-	0.57
(g) Leave Encashment	-	2.65
	2,456.81	3,988.30

19. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended 31 st March 2013 (₹ in lakhs)	For the year ended 31 st March 2012 (₹ in lakhs)
Cost of Materials & Project expenditure	17,765.56	32,505.56
Increase / (Decrease) in Stock	188.95	2,095.48
Rent	123.40	212.66
Electricity	27.42	39.98
Travelling & Conveyance	120.55	192.35
Postage & Telephone	156.80	268.30
Repairs & Maintenance - Vehicles	1.36	3.60
Repairs & Maintenance- Others	12.54	19.19
Books & Periodicals	2.34	0.91
Product Certification Charges	-	90.35
Printing & Stationery	5.87	17.53
Training Expenses	2.01	7.92
Audit Fee	10.80	12.42
Donation	-	0.10
Consultancy Charges	36.77	97.40
Insurance Premium	2.81	18.92
Legal Fees	1.32	6.34
Office Maintenance	30.61	56.11
Secretarial Expenses	4.96	9.29
Rates & Taxes	1.12	9.93
Carriage Expenses	74.35	35.66
Sundry Expenses	277.58	239.32
Product Certification Charges	-	15.89
Lease Rent	1,881.05	627.13

Table Continued

Exchange Rate Difference Loss	1.48	11.69
Bad Debts Write off	228.37	20.19
Loss on sale of fixed asset	-	0.04
Preliminary Expenses Written off	-	0.05
Advertisement Expenses	0.18	0.97
Business Promotion Expenses	314.64	33.24
Commission, Discount, etc	-	19.52
	21,272.85	36,668.07

20. FINANCE COSTS

Finance costs consist of the following:

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
(a) Interest and finance charges	2,666.88	5,157.90
	2,666.88	5,157.90

21. DEFERRED TAX LIABILITY

The provision for deferred tax liability for the year ended March 31, 2013 has been made in accordance with Accounting Standard 22 on Accounting for Taxes on Income. The Deferred Tax Liability as at March 31, 2012 is on account of Depreciation of Rs.1274.34 Lakhs and the Deferred Tax Liability as at 31st March, 2013 is Rs.1202.41 Lakhs.

22. 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, 2013 are as follows:

Lease rentals paid (including HP EMI's)	31st March, 2013	31st March, 2012
Lease rentals paid during the year	1881.05	627.13

Future lease obligations	As at 31st March, 2013	As at 31st March, 2012
Due within 1 year from the balance sheet date	344.54	732.43
Due between 1 and 5 years	Nil	Nil
Due after 5 years	Nil	Nil

23. 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.

24. SEGMENT REPORTING

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

25. RELATED PARTY DISCLOSURE

TRANSACTIONS WITH RELATED PARTIES:

Key Management Personnel

- R. Vijaykumar – Chairman & Managing Director
- B. Ramkumar - Whole-time Director

Name of the Key Management Personnel	Relationship	Nature of Payment	Amount ₹ in lakhs	
			2012-13	2011-12
R. Vijaykumar	Chairman & Managing Director	Salary	Nil	12.00
R. Ramkumar	Whole-time Director	Salary	24.00	24.00
R. Ramkumar	Whole-time Director	Lease Rent	2.00	2.00
R. Ramkumar	Whole-time Director	Lease Advance Outstanding (as at year end)	24.00	26.00

26. There are no Impairment losses to be provided for in the books as on 31.03.2013

27. Bank Guarantees outstanding as on 31.03.2013 is ₹ 745,21 Lakhs (P.Y ₹ 5022.48 Lakhs) (P.Y ₹ 5022.485 Lakhs)

28. EARNINGS PER SHARE

Particulars	As at 31st March 2013	As at 31st March 2012
Profit available to Equity Share holders used as Numerator - (A) ₹	264,290,208	361,858,214
Number of Shares outstanding	123894703	106496776
Weighted Average Number of shares outstanding - (B)	113509826	106866257
Earnings per share (Basic / Diluted) - (A / B) In ₹	2.33	3.40

The FCCBs outstanding as at 31st March 2012 were anti dilutive.

29. The FCCBs have been Converted into equity shares on 1st November 2012.

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

As per my Report of even date attached

For and on Behalf of the Board

S. RAMANATH

Chartered Accountant
Membership No.029416
Prop. **M/s. Ramanath & Co.,**
Firm No.013721s

R. VIJAYKUMAR

Chairman & Managing Director

R. RAMKUMAR

Whole-time Director

Place : Chennai

Date : May 29, 2013

Gemini Communication Limited
Regd. Office: No. 1, Dr Ranga Road, Alwarpet, Chennai - 600018

ANNUAL GENERAL MEETING

ADMISSION SLIP

Please hand over this admission slip at the entrance of meeting hall

I/We, hereby record my / our presence at the Annual General Meeting of the Company held at 5/307, BYE PASS ROAD, SENNERKUPPAM, PONAMALLEE, CHENNAI-600056 on Monday, September 30, 2013 at 1.30 P.M.

Name of the Member (in block letters): _____

Name of the Proxy: _____
(To be filled in if the proxy attends instead of the member)

Folio No. / DP ID & Client ID: _____

No of Shares held: _____

Signature of the Member / Proxy

Gemini Communication LIMITED
Regd. Office: No. 1, Dr Ranga Road, Alwarpet, Chennai - 600018

ANNUAL GENERAL MEETING

PROXY FORM

I/We.....of.....
in the district ofbeing a Member of GEMINI COMMUNICATION
LIMITED hereby appointof..... in the district of
.....or failing him
of.....in the district ofas my / our Proxy to
vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Monday,
September 30, 2013 and at any adjournment thereof.

Signed this.....day of.....

Folio No / DP Id & Client ID

Number of shares held

Affix 15 paise
revenue stamp

Signature



Gemini Communication Ltd.

#1, Dr. Ranga Road, Alwarpet, Chennai - 600 018, India. Phone: +91-44-2466 0570
Fax: +91-44-2499 5062 E-mail: info@gcl.in Web: www.gcl.in