



ANNUAL REPORT 2009 - 2010 Innovation-Wireless



Gemini is a leading contributor to wireless broadband growth and upto rural India, through technology leadership, product innovation and a gobal strategy.

BOARD OF DIRECTORS

MR. R VIJAY KUMAR	GROUP CHAIRMAN
MR. R.RAMKUMAR	CHAIRMAN
MR. B.SREEKRISHNA	MANAGING DIRECTOR
MR. B.SRINIVASAN	DIRECTOR
MR. HARI SETHURAMAN	DIRECTOR
MR. ESWARAN ANNAMALAI	DIRECTOR
MR. L. SATHYANARAYANAN	DIRECTOR
MR. V. K. VENUGOPAL	DIRECTOR
MR. J.CHANDRAMOULI	COMPANY SECRETARY

AUDITORS

M/s. CNGSN & Associates
Chartered Accountants
"Agastyar Manor"
New No 20, Old No 13
Raja Street, T.Nagar, Chennai 600 017.

BANKERS

Bank of India
Chennai Large Corporate Branch,
Tarapore Tower, 826/6, Anna Salai,
Chennai 600 002.

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

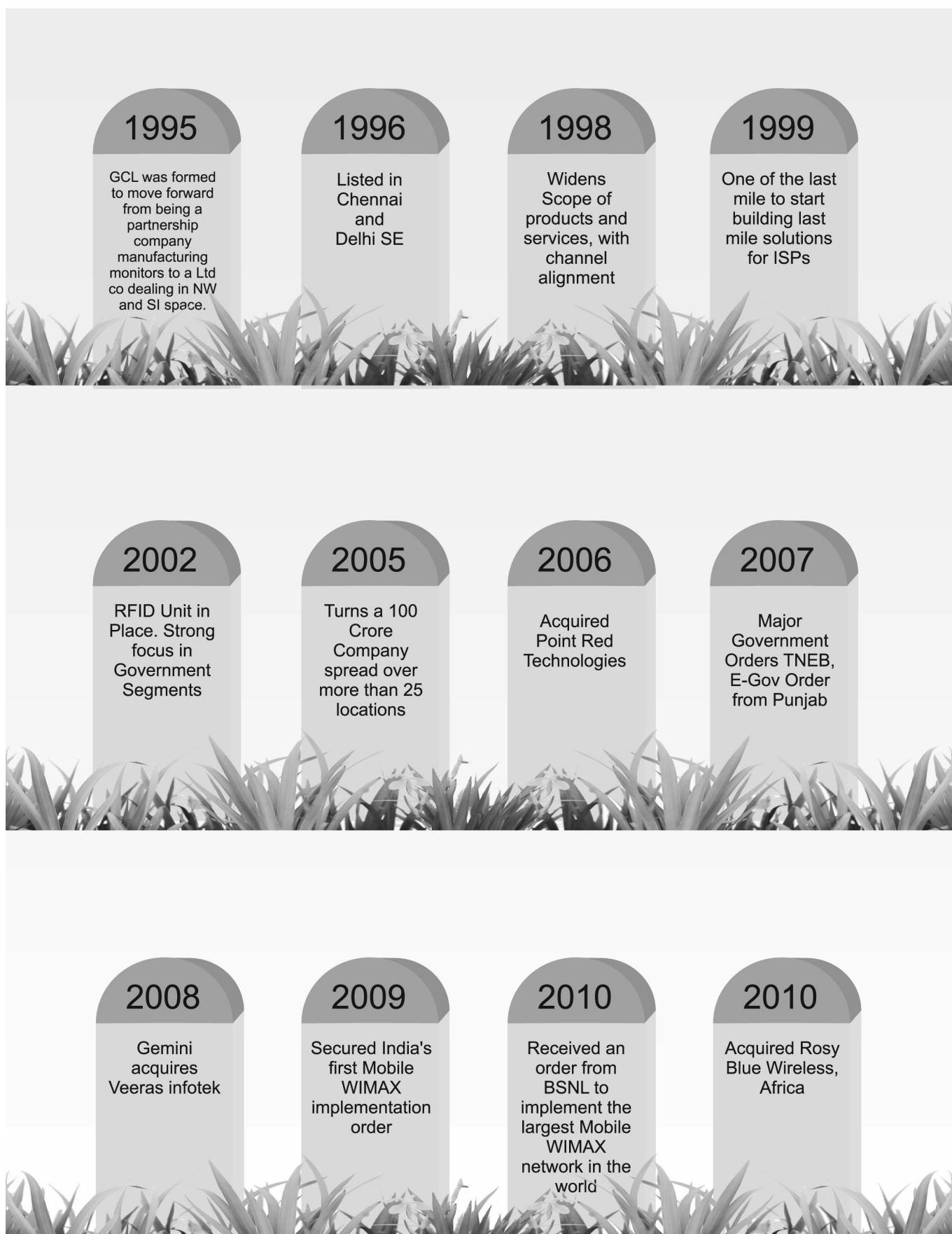
REGISTRAR AND SHARE TRANSFER AGENTS

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

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MILE STONE



Letter to Shareholders

Dear Shareholders,

Warm Greetings to all of you!

It is with great pleasure that I present our performance for this year in this Annual Report. We are reporting another successful year that marks a new chapter in the history of Gemini Communication. We are continuing with as much optimism and excitement as in the past. Gemini Communication grew by 25 % to Rs.349.46 Crs with a PAT of Rs.32.62 Crs. We have strengthened our leadership position in the wireless space, increasing our market share in this segment.

Fiscal 2009 has been an eventful year for Gemini Communication and its subsidiaries. Gemini has always entered into niche and proven technologies and become market leaders in that space. We have been awarded 'Corp Excel 2008' by Corporation Bank, a leading Public Sector Bank. The award is for National Excellence and Gemini has been adjudged as one of the best and outstanding entrepreneurs in the Medium Enterprises Category.

PointRed Telecom, being the only Indian company in the 4G product space globally, offers wireless products that cover the entire wireless spectrum from ISM band unlicensed Pre-WiMAX radios to Forum certified Mobile WiMAX end-to-end systems. Market demand for WiMax services is ever increasing. The Indian government is taking initiatives to connect their state wide regional offices and have set aside funds for other projects like e-learning, tele-medicine, Common Service Centers and e-governance. With more than 70% of the population living in rural areas, WiMAX offers significant advantages in reducing capital expenditure. BSNL the state owned operator is the first to start services in rural India, a step to end digital divide with the roll out of WiMAX services to connect 100000 villages and Common Service Centers

across India. With the order from BSNL, PointRed is executing one of the first large scale project to provide rural connectivity across villages. Their experience in the Indian market is giving them the edge in executing similar such orders in Africa and other countries, and with the WiMax potential being close to Rs. 40000 Crs in India PointRed is all set to play a vital role in the deployment of Mobile WiMax across the world. PointRed, being a technology neutral company, is keen on moving on to WiMAX 2 and LTE to empower wireless communication infrastructure.

One other important step in our growth strategies has been the acquisition of Rosy Blue Wireless (RBW), a Telecommunication and Internet Service Provider in Africa. RBW is strongly positioned to deliver 4th Generation Wireless Network infrastructure to countries in Africa. The company uses WiMAX for Last Mile Access. RBW, having the advantage of WiMAX spectrum, can leverage on the vast untapped market that exists in Africa in providing mobile Broadband connectivity. The entire WiMAX network rollout will happen using Pointred Telecom's WiMAX products. PointRed Telecom will tremendously benefit due to equipment orders being placed on them.

One of our key strategies is to increase our market potential in the new technologies while ensuring our continued flow of revenue in the existing technologies as well. The company also identified two key infrastructure solutions which were crucial to its customers' cost rationalization efforts in a tough economic environment. These were server virtualization and storage consolidation. We chose to focus on VMware for server virtualization and NetApp for storage consolidation as both have significant complementing solutions which reduce the cost of building or managing the existing infrastructure, and also help customers to scale dynamically when required.

Through virtualization, Veeras got an opportunity to extend the scope of services beyond the Indian shores and they have already made an entry in to a few overseas markets. Veeras Infotek has been adjudged as “The DQ Week Best SI-Software” of Chennai for 2009-10. Veeras Infotek won the CRN Xcellence Awards 2010 for the Best Solutions Provider – Infrastructure Software. We would like to increase our focus on SaaS, becoming a managed services partner for infrastructure services and also expand our retail presence. We aim to be the number one company in virtualization of storage, servers and desktops. We also want to be the number one infrastructure software solutions company in the country. VMWare has recognized us for our outstanding contribution and performance and bestowed us with the “Best Reseller”, “Technical Wizard Southern Region” and “Best Sales Individual” awards for the FY '09.

Our geographical spread with sound experience in our respective domains coupled with a strong wider management team and availability of skilled man power have been our strengths and continues to aid our growth. Looking forward, we have a lot of business opportunities. We are strengthening our inherent potential to capitalize on these opportunities and deliver our commitment to not just sustain but increase our market share multifold. In the journey towards this fast paced growth, we look forward to your continued support, faith and confidence. My sincere thanks to all the shareholders, employees, bankers, auditors, clients, vendors and all those who have been with us in the past and will continue to support us.

Sincerely Yours

R.Ramkumar

Chairman

Gemini Communication Ltd

Director's Profile

Mr. R. Vijaykumar – Group Chairman

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

Vijay Kumar is firmly committed to the belief that business organizations have deep social responsibility. And that this must be discharged by conducting ethical and fair business, by involvement with community issues and by building an ecologically sustainable business. Gemini Communication is deeply involved in 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.

Mr. R. Ramkumar – Chairman

Mr. R. Ramkumar, a first generation entrepreneur, started his career with manufacturing of computer monitors under the brand name of Gemini, which finally got merged with Gemini Communication Ltd., to become a listed entity. As a 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 Pvt.Ltd. and as Chairman & Managing Director of Gemini Traze RFID Pvt.Ltd. He is closely associated with Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry. He also serves in various boards of Universities and Educational Institutes. He was honored 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.

Mr. B. Sree Krishna, Managing 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.

Mr. B SRINIVASAN, Executive Director

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

Senior Management's Profile

Mr. T.Rathinam, COO

Mr. T.Rathinam is an engineer in Telecommunications and IT with 20+ years of experience. His experience covers the overall management of organization especially in technology & related fields. He has been specifically responsible for the management of IT architecture including development, deployment & management of technical infrastructure across India and enterprise wide applications like HMS and EMR (ERP). His experience includes IT collaborative works with external agencies

like TCS. He is also a certified lead auditor for ISO 9000 quality systems and has been a lead in the organization wide TQM initiatives for more than a decade and recently, a lead in the strategy management using Balanced Scorecard.

Mr. J.Chandramouli, Chief Financial Officer & Company Secretary

Mr. J.Chandramouli comes to us with a rich grounding in accounting and finance for over twenty years. His professional career has seen him progress from strength to strength and has spanned significant and varied responsibilities in reputed companies such as Cholamandalam Investment and Finance Co., SancoTrans Ltd., Orient Group of Companies, Weizmann Ltd., Pinakini Finance Ltd., Great Lakes Institute of Management etc. His experience includes, but is not limited to, Financial accounting, Audit, Secretarial and Taxation procedures, Hire-Purchase and Leasing syndications, etc. and has also offered him wide exposure in areas of Insurance, Law, Transport, Construction, Non-profit, Merchant Banking businesses etc. He has a Bachelors degree in Commerce and is a member of ICAI, ICWAI and the ICS. He is presently, Convener of the Taxation and Finance Panel of Tamil Nadu State Council of FICCI.

Mr. Balaji Kulothungan, CEO, PointRed Telecom

An engineer by profession, Balaji has contributed significantly for the growth of wireless technology in India. With more than a decade of experience in wireless domain, he has earned quite lot of accolades from the telecom operators. Balaji was instrumental in PointRed's acquisition. Post-acquisition, 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. His continued passion and perseverance on wireless technology is

going to be the driving force for PointRed to become Billion dollar company when the company enters the era of Gigabit WiMAX and Long Term Evolution (LTE).

Mr. Sudarsan Ranganathan, CEO – Veeras Infotek

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

Mr. Pradhyumna T Venkat - CEO, Energy and Metering Solutions

Mr. Pradhyumna T Venkat completed his Bachelors Degree in Mechanical Engineering from Madras University, India prior to his obtaining the Masters in Business Administration degree from Cardiff University, Wales, UK. He is with Gemini group since April 2003 and has been driving Gemini's related diversification in RFID product manufacturing and Energy & Utilities sector. Mr. Pradhyumna started the RFID business and grew the company to be the first in India to manufacture RFID products and a leading RFID solution provider in India. Pioneering a technology change, indigenously manufacturing the products and perfectly executing it is a difficult challenge. Mr. Pradhyumna has also contributed in the finance, design, installation, maintenance, operation and management of Distribution network &

systems for Utility providers in the Power, Water and Gas segments; the solutions include Intelligent Metering Systems, Billing and Pre/Post paid systems along with relevant back-end IT infrastructure.

Mr. M. Raju, Head - CEO, Telecom Services Group

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

Mr. J.Karthikeyan CMO, GCL Group

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

Mr. A Krishnakumar
CMO, GCL SI

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

Mrs. Lavanya Varadarajan,
Head - Corporate Communication

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

Notice for the 15th Annual General Meeting

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held at 03: 15 p.m. on Thursday, the 30th September 2010, at "The Auditorium" Russian Centre of Science & Culture, No. 74, Kasturi Ranga Road, Alwarpet, Chennai 600 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date and the Report of Directors' and Auditors' thereon;
2. To declare dividend for the year 2009-10; A dividend of 5% on paid up share Capital of the company is recommended.
3. To elect a Director in the place of Mr.L.Sathyanarayanan who retires by rotation and being eligible offers himself for re-appointment.
4. To elect a Director in the place of Mr.B.Srinivasan who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

5. To appoint the Statutory auditors of the company for the financial year 2010-2011 and to fix the remuneration. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to the provisions of section 225 (1) and other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of

M/s. P.Chandrasekar, Chartered Accountants, Chennai as the Statutory Auditors of the Company for the financial year 2010-11 in place of M/s. CNGSN & Associates, Chartered Accountants, Chennai the retiring Auditors and that the Board of Directors be and is hereby authorized to fix the remuneration payable to the Auditors in consultation with them.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions if any, of the Companies Act, 1956, Mr. Hari Sethuraman, be and is hereby appointed as a Director of the Company whose period of office is liable to retirement by rotation.

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

RESOLVED THAT pursuant to the provisions of section 293 (1) (d) and other applicable provisions if any of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time such sum (s) of money(s) although the moneys to be borrowed together with the money(s) already borrowed by the Company, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, shall exceed the aggregate of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount together with the money(s) already borrowed by the Board of Directors shall not exceed a sum of Rs.500 crores at any particular time.

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

RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions if any, of the Companies Act, 1956, the following sub-clause 54 be and is hereby inserted after the existing sub-clause 53 of Clause III (B) of the Memorandum of Association of the company:

54. To provide Corporate Guarantee(s) in favour of Banking/Financial Institution(s)/Statutory Agencies/Bodies Corporate(s) to secure funded or non-funded facilities/loan(s) at any point of time, availed or to be availed by any one or more of the subsidiaries of the Company.

Place: Chennai

Date: 06:09:2010

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

RESOLVED THAT subject to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, all Corporate Guarantee(s) given by the Company from 1st October 2009 in favour of any Bank(s)/Financial Institution(s) on behalf of its subsidiaries at different points of time for the due repayment of various fund and non-fund based credit facilities granted to them by the said Bank(s)/Financial Institution(s), in accordance with the approval of the Board of Directors of the company be and are hereby now ratified in the interests of the Company.

For and on behalf of the Board
For GEMINI COMMUNICATION LTD

R.Ramkumar
Chairman

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company.
2. 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 03.15 p.m on 28th september 2010.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 28th September 2010 to Thursday, the 30th September 2010, both days inclusive.
4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed thereto and forms part of the Notice.
5. The dividend on equity shares as recommended by the Directors for the year ended 31st March, 2010, if approved at the Annual General Meeting, will be paid within 30 days i.e. on or before 30th October, 2010 to those Members whose names appear in the Register of Members on 30th September 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership details furnished by the Depositories for this purpose.
6. Members are requested to notify the change in their address, if any, immediately and not later than 25th September 2010 so that the dividend warrants can be sent to the latest address. Members are also advised to intimate the details of their bank account to enable the same to be incorporated in the

dividend warrants. This will help to avoid fraudulent encashment of dividend warrants.

In case of shareholders holding shares in physical form, all intimations are to be sent to Integrated Enterprises India Limited, 2nd Floor, "Kences Towers", #1, Ramakrishna Street, T.Nagar, Chennai – 600 017 who are the Registrars and Share Transfer Agents of the Company.

In case of shareholders holding shares in dematerialized form all intimations are to be sent to their respective depository participants.

7. Members are requested to bring their copies of the Annual Report to the meeting. Members are also requested to bring the attendance slip filled in and hand over the same at the entrance of the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client I.D and D.P.I.D numbers for easy identification of attendance at the meeting.
8. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the company's unpaid dividend account will be transferred to the Investor Education and Protection Fund established by the Central Government as per the provisions of the Companies Act, 1956 and no claims could be made thereafter.

Members may please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends up to the financial year ended 31st March 2002 have been transferred to the Investor Education and Protection Fund as required by the statute.

**INFORMATION REQUIRED TO BE FURNISHED
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

As required under the Listing Agreement, the particulars of the Directors seeking appointment/ re-appointment are given hereunder:

Item No.3

Reappointment of Mr.L.Sathyanarayanan, as Director

Mr.L.Sathyanarayanan is a graduate from the University of Kerala and has a total work experience of around 20 years in various capacities. He was the commercial manager in a Multinational dealing in consumer electronics and is now with a Group dealing in Automobile, Retail and Food industry.

He is not a Director or a member of any Committee in any other Public Limited Company. He does not hold any equity shares in the company. He is an

independent director. None of the directors except Mr.L.Sathyanarayanan is interested in the said resolution.

Item No.4

Reappointment of Mr.B.Srinivasan, as Director

Mr.B.Srinivasan Heads – Support Services at Gemini Communication Limited. He has a total working experience of around 18 years in Datacom, Networking Industry.He has immense knowledge in LAN/WAN/ Security/Wireless & Telecom fields. He has been handling Large Wide Area/MMDS Wireless/ wireline networks and Telecom products across the country for various Prestigious customers. He is not a member of any Committee and he does not hold directorship in any other Public Limited Company.

None of the directors except Mr.B.Srinivasan is interested in the said resolution.

For and on behalf of the Board
For GEMINI COMMUNICATION LTD

R.Ramkumar
Chairman

Place: Chennai
Date: 06:09:2010

ANNEXURE TO THE NOTICE

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

Item No.5

Appointment of M/s. P.Chandrasekar, Chartered Accountants, Chennai as Statutory Auditors of the Company.

The retiring Auditors namely M/s. CNGSN & Associates, Chartered Accountants, Chennai, have expressed their unwillingness to be re-appointed in this Annual General Meeting. They have tendered their letter of resignation as Statutory Auditors and therefore the Board has proposed the appointment of M/s. P.Chandrasekar, Chartered Accountants, Chennai as the Statutory Auditors for the financial year 2010- 2011. A special notice as required under section 225 (1) has been received by the company in this regard. The Board has also received the consent of M/s. P.Chandrasekar, Chartered accountants, Chennai to be appointed as the Statutory Auditors of the company for the year 2010-11. The Board recommends adoption of the aforesaid resolution. None of the directors is in any way concerned or interested in the resolution.

Item No.6

Appointment of Mr. Hari Sethuraman, as Director of the Company.

Mr.Hari Sethuraman is an Alumnus from the Indian Institute of Technology (IIT) Madras - Class of 1993, Hari is the Chairman of D'zine Garage Private Limited, India's oldest and most awarded Digital Agency. D'zine has a global foot print with offices in Chennai, Mumbai and London. Hari is also a Director of D'zine Interactive Limited, UK a wholly owned subsidiary of D'zine Garage focussed on the UK and European markets.

A penchant for seeing most things bear fruit, led Hari to explore the horticulture business in 1995, growing organic mangoes. He is a regular speaker at various national and international forums on organic farming, food security and food processing in India.

Mr. Hari Sethuraman was co-opted as Additional Director during the year to hold office up to this Annual General Meeting of the Company. Individual notice from a member proposing his appointment as Director along with a deposit of Rs.500 has been received as per the provisions of Section 257 of the Companies Act, 1956. Mr.Hari Sethuraman is deemed to be interested in the resolution. The Board recommends adoption of the said Resolution.

Item No.7

Increase in Borrowing Powers

Keeping in view the company's growth potential and expansion plans in the next future, it was felt that the company may have to borrow additional funds to meet its expenditure and thought that it would be in the fitness of things to seek the shareholders approval to permit the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves up to a limit of Rs.500 crores that is to say, the total moneys borrowed together with the moneys to be borrowed in future apart from temporary loans obtained from the bankers in the ordinary course of business shall not exceed this limit. The shareholders had accorded approval to borrow up to a limit of Rs.250 crore at the 13th AGM held on 20th August 2008. The approval is now being sought to increase the borrowing limit from Rs.250 crores to Rs.500 crores beyond the limits specified by Section 293 (1) (d) of the Companies Act, 1956. The ordinary resolution set out in item no.7 seeks to get the approval of the shareholders in this regard. The Board recommends approval of the said resolution.

Item No.8

The Companies Act, 1956, permits a Company to provide Corporate Guarantee to any other Body Corporate(s) subject to compliance of Section 372A of the said Act. But in order to enable the Company to furnish Guarantee to any of its subsidiaries, the Bank or Financial Institution who have funded the financial requirements to the subsidiaries insist on such powers in the Memorandum of Association of the Holding Company. Now therefore, it is felt necessary that such powers are embedded in the Objects Clause of the Memorandum of Association and accordingly, sub-clause 54 is proposed to be inserted after the existing sub-clause 53 of Clause III (B) to comply with the said requirement and the Special Resolution set out in item no.8 of the Notice is intended to seek the approval of the members. Your directors recommend the resolution for approval by the shareholders. None of the directors are interested in the resolution.

Place: Chennai

Date: 06:09:2010

ITEM NO.9:

Your Company had been furnishing Corporate Guarantee(s) within the limits mentioned in section 372A of the Companies Act, 1956 in favour of one or more of its subsidiaries for various credit facilities granted by Bank(s)/Financial Institution(s) which are to be additionally secured by the Corporate Guarantee(s) from the Company as per the terms of sanction.

In order to enable the subsidiary company(s) to avail the aforesaid facilities immediately after sanction, the Board of Directors of the Company had approved the issue of Corporate Guarantees subject to confirmation/ratification by the shareholders of the company even though the aggregate of such Guarantee(s) are not in excess of the limits as provided under section 372A of the Companies Act, 1956. Section 372A permits the Board to provide Guarantee(s) in exceptional circumstances, subject to ratification by the shareholders later within a period of twelve months. Your directors recommend the resolution for approval by the shareholders. None of the directors are interested in the resolution.

For and on behalf of the Board
For GEMINI COMMUNICATION LTD
R.Ramkumar
Chairman

Directors' Report

Dear Members,

Your Directors take pleasure in presenting the Fifteenth Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

Particulars	2009-10	2008-09
Total Income	22260.79	20654.92
Total Expenditure	20731.80	17647.61
Profit before Tax	1528.99	531.82
Provision For Tax	694.28	473.92
Net Profit after Tax	834.71	57.91
Provision for dividend	50.07	48.59
Dividend tax	8.51	8.26
Transfer to General Reserve	-	-

DIVIDEND

Your Directors have pleasure in recommending a dividend of 5% on paid-up Equity Share Capital of the Company for the financial year ended 31st March 2010 subject to the approval of the members in the ensuing Annual General Meeting.

SUBSIDIARIES

M/s.Gemini Trazé RFID Private Limited, Chennai M/s. PointRed Telecom Private Limited, Bangalore, are the two wholly owned subsidiary companies of Gemini Communication Ltd in India.

Gemini Trazé RFID: The last few years have seen RFID deployment slowing down on account of the recession. However there are evidences to suggest a healthy growth trend in the coming years in the country

The industry is becoming more sensitive to the changing environment and has been aggressively addressing the pain points that have been plaguing its growth. We witness the following trends that are likely to have a positive impact on this industry:

1. Cost of passive tags has come down – a trend to continue further resulting in mass deployments of RFID
2. RFID standards are harmonized
3. Rising realization of business benefits of RFID propelling companies to adopt this technology.
4. Niche applications like solar panel identification by government to leapfrog RFID deployment.

PointRed Telecom: Financial year 2010 has been a successful year for PointRed. PointRed booked revenues for the BSNL WiMAX Rural-1 project and also grabbed the order for 304 Crores for BSNL WiMAX Rural-2 project by beating the competitions such as ZTE, Huawei, Motorola, Samsung , Aviat and Alvarion. PointRed holds 38% Market share in BSNL WiMAX deployments in India. In this year PointRed got 4 more products certified by the WiMAX forum taking its tally to 6 products totally certified. PointRed's Non-WiMAX business contributed significantly to the revenues. New Contracts from Tata Communication, Tata Teleservices, BSNL, ITI, STPI were won .

Being the only 4G India product company, PointRed is positioned very well to address 10 B USD 4G market. PointRed is also launching its LTE (Long Term Evolution) product by end at the calendar year 2010 to accelerate the growth in the 4G space.

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

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

PR Wireless Tech Ltd was incorporated in Hong Kong as a 100% subsidiary Company of Pointred Telecom (P) Limited during November 2008 to carry on the

business of Wireless communication and technology. The investment in the subsidiary by Pointred Telecom (P) Limited had been HK\$ 10,000.

At the end of the financial year the Company had totally five subsidiaries namely:

1. M/s.Gemini Traze RFID Private Limited, Chennai
2. M/s. Pointred Telecom Private Limited, Bangalore
3. M/s. Gemini Infotech Ltd, Hong Kong
4. M/s. Veeras Infotech Private Limited, Chennai and
5. PR Wireless Tech Ltd, Hong Kong

EXEMPTION FOR SUBSIDIARY ACCOUNTS U/S 212 OF THE COMPANIES ACT.

As per Section 212(1) of the Companies Act, 1956, the Company is required to attach to its Accounts the Director's Report, Balance Sheet and Profit and Loss Account of each of the aforesaid subsidiaries. As the consolidated accounts present a complete picture of the financial results of the Company and its subsidiaries, the Company had applied to the Central Government seeking exemption from attaching the documents referred to in Section 212(1). Approval for the same has been granted. Accordingly, the Annual Report of the Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of the company and its subsidiaries. The Annual Accounts of these subsidiary companies, along with the related detailed information, will be made available to both Gemini Communication Ltd and subsidiary companies investors at any time. The Annual Accounts of these subsidiary companies will also be kept at the Company's registered office and also at the registered office of the subsidiaries and copies shall be provided on request to any shareholder. The statement pursuant to the approval under Section 212(8) of the Companies Act, 1956, is annexed together with the Annual Accounts of the Company. A statement showing the aggregate value of capital, reserves, total assets, total liabilities, investment, turnover, profit before taxation, provision for taxation and profit after taxation and proposed dividend of all the five subsidiaries is furnished elsewhere in this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared as per Accounting Standards AS 21, consolidating the Company's Accounts with its five subsidiaries, has also been included as part of this Annual Report.

PUBLIC DEPOSITS

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

DISCLOSURES

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

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

CONSERVATION OF ENERGY

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year there were no foreign exchange earnings but there was an outgo of Rs.2266.43 Lakhs.

DIRECTORS

Mr.L.Sathyanarayanan and Mr.B.Srinivasan, Directors retire by rotation in the ensuing Annual General meeting and being eligible offer themselves for re-appointment. Their Profile, nature of expertise and other information are furnished in the Note accompanying the Notice convening the Annual General Meeting. During the year Mr.C V Bhaskar and Mr.K.Hariharan stepped down from

the Board and the Board takes this opportunity to record its sincere appreciation for the guidance and support extended by the two independent directors during their tenure as Directors of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the company for the year under review.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the accounts for the financial year ended 31st March 2010 on a 'going concern' basis.

AUDITORS

M/s CNGSN & Associates, Chartered Accountants, Chennai, have expressed their unwillingness to get re-appointed in the ensuing Annual General Meeting and hence the Board proposes to appoint

M/s. P.Chandrasekar, Chartered Accountants, Chennai as the Statutory Auditors for the financial year 2010-11 and the approval of the members is sought for their appointment in the forthcoming AGM.

EXPLANATION TO QUALIFICATION/REMARK IN THE AUDITORS' REPORT

With regard to Auditors remarks on the confirmation of balances from Sundry Debtors, sundry creditors, Loans & advances, Deposits & other current assets, the Board wishes to inform that most of the Debtors are Government clients and obtaining the confirmation poses considerable difficulties. However the process of obtaining the confirmation from all the clients has already been started and would be completed soon. With regard to non provision of tax dues by the management is confidant of success in appeals and the fact is discussed in the notes on accounts.

CORPORATE GOVERNANCE

Your Company has always endeavored to adhere to high standards of Corporate Governance and ensured its compliance both in spirit and law. A detailed Report on Corporate Governance together with the Certificate from Mrs.Jayashree Sridhar, Company Secretary in Practice, conforming compliance of the Corporate Governance is attached to this Report as required under Clause 49 of the listing agreement entered into with the stock exchanges.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board
 For GEMINI COMMUNICATION LTD
R.Ramkumar
 Chairman

Place: Chennai
 Date: 06:09:2010

Corporate Governance Report

Report on Corporate Governance

PHILOSOPHY

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

I. BOARD OF DIRECTORS

(A) Composition of Board:

As on March 31, 2010 the Company had 8 directors

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

(B) Non executive directors' compensation and disclosures:

During the year the Company did not have any material pecuniary relationship and transaction with any of the non executive directors. The non-executive directors do not draw any remuneration from the company other than sitting fees.

(C) Board and Committee:

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

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

Director. None of the Directors hold Directorship in any other Public Limited Company although they hold Directorships in a few private limited companies and necessary disclosures in this regard have been made by them to the Board.

Board Meetings:

During the year ended March 31, 2010 the Board of Directors met 15 times. The Board Meetings were held on 04/04/09, 21/05/09, 27/05/09, 05/06/09, 30/06/09, 31/07/09, 10/08/09, 21/09/09, 09/10/09, 23/10/09, 16/11/09, 29/12/09, 30/12/09, 28/01/2010 and 03/02/2010 during the year.

Attendance:

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

Name of Director	Status	Attendance in Board Meetings	Attendance in last AGM Yes/No	Other Directorships in public limited companies only
R.Vijaykumar	Group Chairman	15	Yes	Nil
R.Ramkumar	Chairman	15	Yes	Nil
B.Sreekrishna	Managing Director	15	No	Nil
B.Srinivasan	Executive Director	15	Yes	Nil
Eswaran Annamalai	NED & Independent	6	No	Nil
K.Hariharan	NED & Independent	6	Yes	Nil
L.Satyanarayan	NED & Independent	6	Yes	Nil
Mr.Sethuraman Hari	NED & Independent	2	No	Nil

(D) Code of Conduct:

Your company's Code of Conduct clearly lays down procedures for reporting to the management concerns about unethical behavior, actual or suspected fraud or violation of code of conduct or ethics policies. This code is devised for all members of the Board of Directors, Senior Management Personnel and Employees of the Company. The Board of Directors, Senior Management Personnel have affirmed compliance with this Code of Conduct and a declaration to this effect, duly signed by the Managing Director in annexed hereto.

The Committee was re-constituted after the resignation of Mr.C V Bhaskar from the Board.

(B) Meetings of Audit Committee:

During the year ended March 31, 2010 the Committee met on four occasions on 30/06/2009, 31/7/2009, 23/10/2009 and 28/01/2010. All the members attended all the meetings during the year.

The constitution of Audit Committee is also in conformation with the requirements of Section 292A of the Companies Act, 1956 and also as per the requirements of Clause 49 (II) (A) of the Listing Agreement.

II. AUDIT COMMITTEE**(A) Qualified and Independent Audit Committee:**

As on March 31, 2010, the Audit Committee comprised of 3 members, all of them being non-executive and independent. The constitution of the Audit Committee is as follows:

1. Mr.K.Hariharan - Chairman (Independent Director)
2. Mr.Easwaran Annamalai - Member
3. Mr. Hari Sethuraman - Member

(C) Powers of the Audit Committee:

The audit committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Role of Audit Committee:

The role of the audit committee includes the following:

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

III. SUBSIDIARY COMPANIES

- (i) The Company has 3 Indian subsidiaries namely, Gemini Traze RFID Private Limited at Chennai, Point Red Telecom Private Limited at Bangalore and Veeras Infotech Private Limited at Chennai. Mr. Hair Sethuraman, an Independent Director of the holding company is on the Board of Gemini Traze RFID Private Limited and Point Red Telecom Private Limited in compliance of the Listing Agreement.
- (ii) The minutes of the subsidiaries are placed before the Board of the Company at periodical intervals and reviewed.
- (iii) The material significant transactions and arrangements especially investments made by the subsidiaries during the year are reviewed by the Board.
- (iv) The Company does not have any listed subsidiary as on March 31, 2010.

IV. DISCLOSURES
(A) Basis of related party transactions:

- A statement containing the transactions with related parties including the subsidiaries and key managerial personnel during the year is placed before the Audit Committee. Transactions with related parties are disclosed in Note No. 10 of Schedule 20 B to the Accounts in the Annual Report.

- There were no material significant related party transactions with the non-executive directors during the year.

(B) Disclosure of Accounting Treatment:

The Company has followed the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 in the preparation of Balance Sheet, Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2010 to the extent applicable.

(C) Board disclosures - Risk Management:

The Company has mechanisms in place to inform Board members about the Risk Assessment and Minimization procedures and to ensure that risk is controlled by the Executive Management through the means of a properly defined framework.

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

During the year, the Company had issued 97,18,000 equity warrants at the rate of Re.1/- each at a premium of Rs.17/- each to the Promoter and Promoter Group and Key Managerial Personnel through preferential issue and collected 25% of allotment of Rs.4,37,31,000 from the allottees. One of the allottee has converted the warrants into 29,62,900 equity shares during the financial year 2009-10. The amount raised was utilized for the purpose of the issue.

(E) Remuneration of Directors:

- There were no pecuniary relationship or transactions with non-executive directors during the year requiring disclosure in the Annual Report.
- Details of remuneration paid to the Executive Directors during the year ended 31st March 2010 is as follows:

(Rs. lakhs)

Nature of Remuneration	R.Ramkumar Chairman		R.Vijaykumar Group Chairman		B.Sreekrishna Managing Director		B.Srinivasan Whole-time Director	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Salary	12.00	12.00	12.00	11.99	12.00	11.99	10.80	10.80
Gratuity Provided	0.23	0.78	0.23	0.78	0.23	0.78	0.23	0.78
Contribution to PF and other funds	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Total	12.32	12.87	12.32	12.86	12.32	12.86	11.12	11.67

- Payment of Remuneration to the Executive Directors are governed by the terms and conditions approved by the Remuneration Committee, the Board and the shareholders. The remuneration structure comprises of salary, commission linked to profits, perquisites and allowances, contributions to Provident Fund, Superannuation and Gratuity as per Schedule XIII of the Companies Act, 1956.
- The non-executive directors do not draw any remuneration from the company other than sitting fees.
- The number of shares and convertible instruments held by Non-Executive directors as on March 31, 2010 are as follows:

Name of the Director	Number of shares held	No. of convertible instruments held
Sethuraman Hari	Nil	Nil
Eswaran Annamalai	40	Nil
K.Hariharan	Nil	Nil
L.Sathyanarayan	Nil	Nil

(F) Management:

(i) A Management Discussion and Analysis Report containing the details listed under clause IV (F) is annexed and forms part of the Board's Report.

(ii) During the year, there were no financial or commercial transactions with the senior management which could have a personal conflict with the interests of the company at large requiring disclosure in the annual report.

(G) Shareholders:

(i) The brief resume, nature of expertise, names of companies in which the person holds directorships, committee memberships and shareholding of

Mr. L. Sathyanarayanan and Mr. B.Srinivasan directors seeking re-appointment at the ensuing Annual General meeting and Mr.Hari Sethuraman seeking appointment as Director is furnished in the Notice calling the meeting.

(ii) Inter-se relationship between Directors

Mr.R.Vijaykumar and Mr.R.Ramkumar are brothers and belong to the promoter group.

(iii) The company ensures that Quarterly Results are published in widely circulated newspapers for information to the various stakeholders.

Details of publication of Quarterly Results during the year 2009-10 is as follows:

Quarter	News Paper	Date of Publication	StandAlone/ Consolidated
31/03/2009	News Today /Malai Sudar	30/06/2009	Consolidated
30/06/2009	News Today /Malai Sudar	31/07/2009	Consolidated
30/09/2009	News Today /Malai Sudar	23/10/2009	Consolidated
31/12/2009	News Today /Malai Sudar	28/01/2010	Consolidated

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

(V) Shareholder's / Investors Grievances Committee:

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

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

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

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

1. To consider, approve or reject, requests as the case may be for Share Transfer, transmission, consolidation, splitting, transposition, demat & remat of shares and to carryout other related functions and documentation procedures in connection with the same.

2. To monitor the redressal of Investor Complaints like non-registration of share transfers, transmission, consolidation, transposition, splitting, demat, remat etc. non-receipt of Annual Reports, issue of duplicate certificates and to deal with all other matters in respect of investor complaints.
3. To make such statement in any document, advertisement or announcement that may be issued, released or published in connection with the functions for which the committee is formed.

Mr.J.Chandramouli heads the Secretarial Department. Mr.K.Kumar is the Compliance Officer of the Company and takes care of the day-to-day activities of the Secretarial Department. The Committee meets frequently depending upon the needs and it met six times during the year ended 31st March 2010.

As a policy, the Company approves transfers of shares within 30 days from the date of receipt and redresses complaints within 7 days of receipt if all the requirements of the statute are complied with in total. The Company conforms that there were no share transfers pending as on 31st March 2010 and all requests for dematerialization and re-materialization of shares as on that date were confirmed/ rejected in to the NSDL and CDSL system.

VI. Status of Investor Complaints

No. of correspondences/queries/complaints received from	
Shareholders / investors from 1st April 2009 to 31st March 2010	76
No. of correspondences /queries/complaints resolved/redressed	76

VII. Registrar and Share Transfer Agents

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

CEO/CFO CERTIFICATION

Mr.B.Sreekrishna, Managing Director and Mr.B. Srinivasan, Chief Executive Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March 31,2010 which is annexed hereto.

NON – MANDATORY REQUIREMENTS REMUNERATION COMMITTEE:

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

Mr. Eswaran Annamalai (Chairman)

Mr. Hari Sethuraman

Mr.K.Hariharan

The Committee met only once on 4th April 2009 during the year.

OTHER INFORMATION

1. Details of General Body Meetings:

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

Financial Year	Date	Time	Venue
2008-09	24-09-2009	03.15 p.m	"Sathguru Gnananda Hall" (Mini Hall) 314, TTK Road, Alwarpet, Chennai - 600018
2007-08	20-08-2008	10.30 a.m	"Bharathiya Vidya Bhavan" (Mini Hall) East Mada Street, Mylapore, Chennai 600 004
2006-07	21-09-2007	12.15 p.m.	"Bharathiya Vidya Bhavan" (Mini Hall) East Mada Street, Mylapore, Chennai 600 004

The Following Special Resolutions were passed by the members in the past 3 Annual General Meeting.

Annual General Meeting held on 24th September 2009

- Amending Articles of Association under section 109 (A) of the Companies Act, 1956 to include Nomination of shares.

Annual General Meeting held on 20th August 2008

- Amended Articles of Association under section 94 of the Companies Act , 1956 to sub divide the equity shares of the Company from Rs.5/- each to Re.1/- each.
- Ratification of Board decision to provide for the shortfall in the provision on dividend pertaining for the previous financial year @ 20% and dividend tax thereon.
- Appointment of Mr.R.Vijaykumar as Group Chairman of the Company with effect from 1st October 2008.

- Appointment of Mr.R.Ramkumar as Chairman of the Company with effect from 1st October 2008.

- Appointment of Mr.B.Sreekrishna as Managing Director of the Company with effect from 1st October 2008.

- Increasing the borrowing powers of the Company upto a sum of Rs.250 Crores under section 293 (1) (d) of the Companies Act, 1956.

Annual General Meeting held on 21st September 2007

- Approval for Preferential issue under section 81 (1A) of the Companies Act 1956.
- Ratification of allotment of bonus shares to warrant holders of the Company.
- Introduction of Employee Stock Option Plan and to issue 5 % of the equity shares capital of the Company to "permanent Employees" of the company including Directors (who do not belong to Promoters Group) as defined in ESOP Guidelines.

During the current financial year, the Company held one Extra-Ordinary General Meeting on May 6, 2009 and one resolution was passed through Postal ballot on 9th November 2009.

Extraordinary General Meeting on 6th May 2009, Special Resolution were passed for raising Capital through Preferential Allotment under section 81 (1A) of the Companies Act 1956 to Promoter, Promoter group and Key managerial personnel of the Company.

Two Special Resolutions were passed by members through Postal Ballot under section 192A of the Companies Act 1956, for issue of sponsored ADRs/GDRs and Mrs. Jayashree Sridhar, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner. Postal Ballot Notices were sent to all shareholders as on 5th October 2009. The details of the voting pattern were as under for both the resolutions.

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

The special resolutions were approved by an overwhelming majority of the members. The results were announced by the Chairman on 9th November 2009 and were also displayed on the Notice Board outside the registered office.

2. General shareholders' information:

Dates of Book Closure: From 28th September to 30th September 2010 (both days inclusive)

3. 15th Annual General Meeting (AGM):

15th Annual General Meeting will be held on Thursday, the 30th September 2010 at 3.15 p.m. at "The Auditorium" Russian Centre of Science & Culture , No.74, Kasturi Ranga Road, Alwarpet, Chennai – 600 018.

4. Particulars of Financial calendar: 2010 - 2011

First quarter results	on or before 15th August 2010
Second Quarter Results	on or before 15th November 2010
Third Quarter Results	on or before 15th February 2011
Fourth Quarter Results	on or before 30th May 2011

5. Listing on Stock Exchanges:

The shares of the company are listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Madras Stock Exchange (MSE). The Annual Listing fees in respect of the shares of the company for the financial year 2010-2011 has been paid by the company promptly to all the stock exchanges.

Stock Code:

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

6. Dematerialisation / Rematerialisation of Shares:

The Securities and Exchange Board of India (SEBI) mandated compulsory dematerialization of shares for all purpose of trading through registered channels. As on 31/03/2010 Shares of the company held by the

shareholders are in demat form aggregating 95.83 % of the total equity Paid up Capital and the balance 4.17% of shares are in the physical mode.

Physical Mode		Electronic Mode	
No of Shares	% of Shares	No of Shares	% of Shares
4178928	4.17	95963972	95.83
No of Shareholders	% of Holders	No of Shareholders	% of Shares
341	3.57	9222	96.43

7. Stock Market Data:

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

Bombay Stock Exchange Limited				National Stock Exchange of India Limited		
Month	High (Rs)	Low (Rs)	Volume (Nos)	High (Rs)	Low (Rs)	Volume (Nos)
Apr-09	19.05	12.12	569847	18.75	12.20	1188713
May-09	26.10	16.30	282575	26.05	16.15	3304871
Jun-09	29.45	18.65	379366	29.35	18.65	8812462
Jul-09	18.00	13.70	854708	18.00	13.75	4514384
Aug-09	16.65	14.45	1066159	16.60	14.30	2038143
Sep-09	21.60	14.80	281498	21.65	14.80	10455868
Oct-09	32.70	20.00	9879219	32.55	19.95	8358418
Nov-09	39.60	30.65	228022	40.50	30.75	3214990
Dec-09	44.70	36.85	708408	44.85	36.85	2579404
Jan-10	49.15	39.30	699104	49.35	39.15	2331315
Feb-10	48.75	38.70	286989	48.45	38.65	13462100
Mar-10	39.10	24.40	148586	39.00	24.40	13462100

Distribution of shareholding as on 31st March 2010:

No of equity shares held	Shareholders		Equity Shares Held	
	No of shareholders	% to total	No of shares (Face Value of Re.1/- each)	% total
1-500	8929	93.37	5616758	5.61
501-1000	294	3.07	2295772	2.29
1001-2000	158	1.65	2404589	2.40
2001-3000	48	0.50	1208109	1.21
3001-4000	25	0.26	878178	0.88
4001-5000	19	0.20	898535	0.90
5001-10000	32	0.33	2267544	2.26
10001 & above	58	0.61	84573415	84.45
Total	9563	100.00	100142900	100.00

9. Shareholding pattern as on March 31, 2010:

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

10. Compliances:

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

The address of the Share Transfer Agents:

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

Address for correspondence:

Mr.J.Chandramouli, Company Secretary
 Mr.K.Kumar, Compliance Officer
 Gemini Communication Ltd
 #1 Dr.Ranga Road, Alwarpet, Chennai – 600 018
 URL : www.gcl.in e-mail : shareddept@gcl.in
 Phone : +91-044-2466 0570/571
 Fax : +91-044-2499 5062

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

I, B.Sreekrishna, Managing Director of the Company hereby confirm that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31st March 2010 as stipulated by Clause (1) (1D) (ii) of the Listing Agreement with Stock Exchanges.

Date:06/09/2010

Place: Chennai

Managing Director

B.Sreekrishna

Certification as per Clause 49(V) of the Listing Agreement

To the Board of Directors,
Gemini Communication Ltd

Mr.B.Sreekrishna, Managing Director and
Mr. B. Srinivasan, Director hereby certify that in respect
of the Financial Year ended on March 31, 2010

(a) They have reviewed financial statements and the
cash flow statement for the year and that to the
best of their knowledge and belief:

(i) These statements do not contain any materially
untrue statement or omit any material fact or contain
statements that might be misleading;

(ii) These statements together present a true and fair
view of the company's affairs and are in compliance
with existing accounting standards, applicable laws
and regulations.

(b) There are, to the best of their knowledge and belief,
no transactions entered into by the company during
the year which are fraudulent, illegal or violative of
the company's code of conduct.

(c) They accept responsibility for establishing and
maintaining internal controls for financial reporting
and that they have evaluated the effectiveness of
internal control systems of the company pertaining
to financial reporting and they have disclosed to the
auditors and the Audit Committee, deficiencies in the
design or operation of such internal controls, if any, of
which they are aware and the steps they have taken
or propose to take to rectify these deficiencies.

(d) They have indicated to the auditors and the Audit
committee

(i) Significant changes in internal control over financial
reporting during the year;

(ii) Significant changes in accounting policies during the
year and that the same have been disclosed in the
notes to the financial statements; and

(iii) Instances of significant fraud of which they have
become aware and the involvement therein, if any, of
the management or an employee having a significant
role in the company's internal control system over
financial reporting.

Mr.B.Sreekrishna
Managing Director

Mr. B. Srinivasan
Director

Place: Chennai
Date: 06-09-2010

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

To the shareholders of Gemini Communication Ltd
Chennai

I have examined the compliance of conditions of corporate governance by Gemini Communication Ltd, for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

Place: Chennai
Date: 01.09.2010

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Gemini Communication Ltd., as at 31st March, 2010, Profit and Loss Account and Cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to my comments in the Annexure referred to above we report that:-
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us. The Branch Auditors' Reports have been forwarded to us and have been properly dealt with.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt in this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss account and Cash flow statement dealt with on this report comply with the accounting standards referred to in sub section (3C) section 211 of the Companies Act, 1956 to the extent applicable;
 - e. As explained to us and based on the written representation received from the directors, and taken on record by the Board of Directors We report that none of the directors are disqualified, as on 31st March 2010 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
 - f. ***Attention is invited to note 16 in notes on accounts with regards pending confirmation of balances from Sundry Creditors, Sundry Debtors, Loans & Advances, Other Current Assets and Deposits wherein the effect, if any, on the financials are not quantifiable and note no 15 with regard to non provision of disputed demands towards Excise duty and Income tax.***
 - g. Subject to above, in our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
 - a. in the case of the balance sheet, of the State of Affairs of the Company as at 31st March, 2010;
 - b. in the case of the Profit & Loss account, of the PROFIT for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the Cash Flows for the year ended on the date.

Place: Chennai
 Date: 06/09/2010

For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 R. THIRUMALMARUGAN
 PARTNER
 MEMBERSHIP NO: 200102
 FIRM NO :004915S

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

1.
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets which needs to be updated.
 - b) All the assets have been physically verified by the Management during the year. No material discrepancies were noticed during such verification.
 - c) Substantial part of fixed assets have not been disposed off during the year.
2.
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3.
 - a) The company has granted interest free unsecured loans to Subsidiary Companies, covered in the register maintained under section 301 of the Companies Act, 1956. The number of parties are four. The Amount involved is Rs. 2185.54 Lakhs and the Outstanding balance is Rs. 1822.05 lakhs. The other clauses are not applicable.
 - b) The company has not taken any loan, secured or unsecured, from the Companies, firms and other parties covered in the register maintained under section 301 of the Act. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal

control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, We have not observed any continuing failure to correct major weaknesses in Internal Control System.

5.
 - a) According to the information and explanations given to us, We are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act has been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year as defined under section 58A of the Companies Act, 1956.
7. In our opinion, the internal audit system of the company needs to be strengthened to commensurate with the size and nature of its business.
8. As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
9.
 - (a) The company is depositing, with some delays, with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues wherever applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears,

as at 31st March, 2010 for a period of more than six months from the date they became payable except a revision of Income Tax demand Rs. 5.33 Lakhs relating to A.Y. 2001 – 02.

- (c) According to the information and explanation given to us, there are no dues of Sales tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except as under :-

DEMAND	ASSESSMENT YEAR	Rs. (In Lakhs)	DISPUTED BEFORE
central excise	2000-01	56.40	CCE(A)
Incometax	2002-03	10.45	HC, Chennai
Incometax	2006-07	419.69	HC, Chennai
Incometax	2007-08	62.07	AO, Chennai
Incometax	2008-09	344.31	HC/AO, Chennai

10. In our opinion, the company has no accumulated losses as at the year end. The company has not incurred cash losses during the financial year covered under by our audit and immediately preceeding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
12. In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and

other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.

15. In our opinion and according to the information and explanations given to us, the company has given corporate guarantee for loans taken by subsidiary companies from banks, the terms and conditions are not prima facie prejudicial to the interest of the company.
16. In our opinion and according to the explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the company has made preferential allotment of shares during the year to parties covered in the register maintained under section 301 of the Companies Act, 1956. The price at which the issue is made are not prima facie prejudicial to the interest of the company.
19. According to the information and explanations given to us, the company has not issued any debentures during the year and creation of security for issue of debentures does not arise.
20. According to the information and explanations given to us, the company has not raised money by public issues during the financial year and the disclosure of end use of money raised by public issues does not arise.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 R. THIRUMALMARUGAN
 PARTNER
 MEMBERSHIP NO: 200102
 FIRM NO : 004915S

Place: Chennai
 Date: 06/09/2010

Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	Schedule	As at 31-03-2010		As at 31-03-2009	
I SOURCES OF FUNDS					
(1) Shareholder's Funds:					
(a) Capital	1	1,001.43		971.80	
(b) Share Warrant (Refer Note)	1a	507.23		201.00	
(c) Reserves and Surplus	2	8,845.48	10,354.14	7,565.67	8,738.47
(2) Loan Funds:					
(a) Secured Loans	3	14,482.58		11,681.74	
(b) Unsecured Loans	4	8,287.34	22,769.92	8,332.13	20,013.87
(3) Less : Deferred Tax Liability	14		1,133.19		742.76
TOTAL			34,257.25		29,495.10
II APPLICATIONS OF FUNDS					
(1) Fixed Assets:	5				
(a) Gross Block		15,897.20		13,017.85	
(b) Less: Depreciation		6,418.46		4,295.31	
(c) Net Block		9,478.74		8,722.54	
(d) Capital Work In Progress		-	9,478.74	-	8,722.54
(2) Investments	6		5,577.85		3,945.40
(3) Current Assets, Loans and Advances:					
(a) Inventories	7	3,429.92		2,585.06	
(b) Sundry Debtors	8	19,351.51		17,004.54	
(c) Cash and Bank Balances	9	836.26		897.76	
(d) Other Current Assets	10	1,535.70		883.56	
(e) Loans and Advances	11	4,766.93		1,759.77	
		29,920.32		23,130.69	
Less: Current Liabilities and Provisions:		-		-	
(a) Liabilities	12	10,348.97		6,143.59	
(b) Provisions	13	370.69		159.94	
Net Current Assets		10,719.66	19,200.66	6,303.53	16,827.16
(4) Miscellaneous Expenditure			-		-
TOTAL			34,257.25		29,495.10
Notes on Accounts	20				

As per Our Report of even date
 For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
 Partner

Place : Chennai
 Date : 06-09-2010

R. RAMKUMAR
 Chairman

R. VIJAY KUMAR
 Director

B.SREEKRISHNA
 Managing Director

J.CHANDRAMOULI
 Company Secretary

Profit and Loss Account for the year ended 31st March, 2010

(Rs. in Lakhs)

	Schedule	For the year ended 31-03-2010	For the year ended 31-03-2009
INCOME			
Sales income from Network Product & Services		21,337.29	19,547.74
Other Income	15	78.64	813.21
Increase / (Decrease) in Stock	16	844.86	293.97
		22,260.79	20,654.92
EXPENDITURE			
Cost of Materials & Project Expenses		13,704.64	13,229.17
Salaries & Staff Welfare	17	1,687.86	1,245.29
Administrative Expenses	18	803.60	725.90
Selling & Distribution Expenses	19	28.93	94.40
Depreciation	5	2,123.15	2,352.84
		18,348.18	17,647.60
PROFIT BEFORE INTEREST & TAX		3,912.61	3,007.32
Less : Interest & Financial Charges		2,383.62	2,475.49
PROFIT BEFORE TAX		1,528.99	531.83
Less: Provision for Current Tax		303.85	94.42
Less: Provision for Fringe Benefit Tax		-	8.67
Adj: Provision for Deferred Tax		390.43	370.83
PROFIT AFTER TAX		834.71	57.91
Appropriations:			
Proposed Dividend @ 5%		50.07	48.59
Tax on Dividend @ 16.995%		8.51	8.26
		58.58	56.85
BALANCE OF PROFIT CARRIED TO BALANCE SHEET		776.13	1.06
Earnings Per Share in Rs.(Basic)		0.86	0.06
Earnings Per Share in Rs.(Diluted)		0.87	0.33
Notes on Accounts	20		

As per Our Report of even date
For CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
Partner

Place : Chennai
Date : 06-09-2010

R. RAMKUMAR
Chairman

R. VIJAY KUMAR
Director

B.SREEKRISHNA
Managing Director

J.CHANDRAMOULI
Company Secretary

Schedules Forming Part of the Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 1 : CAPITAL:		
SHARE CAPITAL		
AUTHORISED:		
15,00,00,000 Equity Shares of Rs.1/- each	1,500.00	1,500.00
ISSUED, SUBSCRIBED & PAID-UP :		
10,01,42,900 Equity Shares of Rs.1/- each (P.Y - 9,71,80,000 Equity Shares of Rs.1/- each) (of the above 96,68,000 shares were issued as fully paid bonus shares during the year 2007-08 by capitalising Profit & Loss A/c)	1,001.43	971.80
	1,001.43	971.80
SCHEDULE - 1A : SHARE WARRANT (Refer Note 1)		
a) Advance Received for Share Warrant - 2007-08	201.00	201.00
b) Advance Received for Share warrant - 2009-10	306.23	-
	507.23	201.00
SCHEDULE - 2 : RESERVES AND SURPLUS:		
a) Securities Premium Amount	2,482.00	2,482.00
Add: Current year receipts	503.69	-
	2,985.69	2,482.00
b) Capital Profit (On Reissue of Forfeited Shares) As per Last Balance Sheet	3.79	3.79
	3.79	3.79
c) GENERAL RESERVE :		
As per Last Balance Sheet	498.86	498.86
	498.86	498.86
d) Profit and Loss account as per last year	4,581.01	4,579.96
Add: Transfer from Profit & Loss Account	776.13	1.06
	5,357.14	4,581.02
Total (a+b+c+d)	8,845.48	7,565.67
SCHEDULE - : LOAN FUNDS :		
SCHEDULE -3 : SECURED LOANS		
From Bank - Cash Credit	4,522.73	4,585.85
- Term Loan	9,959.85	7,095.89
	14,482.58	11,681.74
SCHEDULE -4 : UNSECURED LOANS		
6% Convertible Bonds 2012 (Refer Note 20)	8,230.50	8,230.50
Car hire purchase loan	-	5.40
From Others	56.84	96.23
	8,287.34	8,332.13

Schedules Forming Part of the balance sheet as at 31st March, 2010

Schedule - 5: Fixed Assets

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2009	Additions during the Year	Deletion	As at 31.03.2010	As at 01.04.2009	For the Year	Deletion	As at 31.03.2010	As at 31.03.2009
LAND & BUILDING :									
Land	352.36	-	-	352.36	-	-	-	352.36	352.36
Building	318.77	-	-	318.77	13.53	5.20	-	300.04	305.24
PLANT & MACHINERY :									
Computer Machinery	1,542.66	4.75	-	1,547.41	543.13	249.21	-	755.07	999.53
Networking Equipments	1,113.83	6.57	-	1,120.40	99.11	53.15	-	968.14	1,014.72
Software	3,356.61	2,736.54	-	6,093.15	1,514.93	759.58	-	3,818.64	1,841.68
FURNITURES & FIXTURES :									
Xerox Machine	1.26	-	-	1.26	1.26	-	-	-	-
Telephone	2.21	-	-	2.21	1.46	0.16	-	0.59	0.75
Furniture & Fixtures	176.42	-	-	176.42	46.31	11.17	-	118.94	130.11
Electrical Fittings	614.66	0.77	-	615.43	72.22	43.49	-	499.72	542.44
Modems	4.63	-	-	4.63	4.63	-	-	-	-
Office Equipments	36.01	0.69	-	36.70	20.00	2.56	-	14.14	16.01
UPS	46.04	2.06	-	48.10	18.83	3.31	-	25.96	27.21
PROJECT ASSETS:									
Computer Machinery	1,986.19	67.74	-	2,053.93	587.43	401.03	-	1,065.47	1,398.76
Software	1,242.28	-	-	1,242.28	363.21	248.46	-	630.61	879.07
Electrical Fittings	1,608.34	-	-	1,608.34	480.12	321.66	-	806.56	1,128.22
Dot Matrix Printers	86.53	-	-	86.53	27.67	17.31	-	41.55	58.85
Networking Equipments	-	60.23	-	60.23	-	1.17	-	59.06	-
VEHICLES, ETC. :									
Vehicles	60.18	-	-	60.18	32.60	5.72	-	21.86	27.58
INTANGIBLE ASSETS:									
IPR / Know-how	468.87	-	-	468.87	468.87	-	-	-	-
TOTAL	13,017.85	2,879.35	-	15,897.20	4,295.31	2,123.15	-	9,478.74	8,722.54
PREVIOUS YEAR	11,506.87	1,516.03	5.04	13,017.85	1,943.73	2,352.84	1.26	8,722.54	9,563.14

Schedules Forming Part of the Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 6 : INVESTMENTS		
Long Term Investments		
(Non - Trade - Unquoted - Fully Paid - At Cost)		
Gemini Traze RFID Pvt. Ltd. (100% Subsidiary)	568.50	568.50
(56,85,000 Shares of Rs.10 each)		
Point Red Telecom Pvt. Ltd (100% Subsidiary)	1,218.33	1,218.33
(10131100 shares of Rs.10 each)		
Gemini Infotech Ltd (100% Subsidiary)	3,791.02	2,158.57
(6,00,00,000 shares of HK\$ 1 each)		
(P.Y 3,60,00,000 Shares of HK\$ 1 each)		
	5,577.85	3,945.40
SCHEDULE - 7 : INVENTORIES :		
(Valued at cost or net realisable value and as certified by the Management)		
Stock in Trade	3,429.92	2,585.06
	3,429.92	2,585.06
SCHEDULE - 8 : SUNDRY DEBTORS :		
(Considered Good for which the company holds no security other than debtors personal security)		
Outstanding over six months		
Considered Good	12,701.49	9,587.49
Considered Doubtful	212.42	267.36
	12,913.91	9,854.85
Other debts	6,650.02	7,417.05
	19,563.93	17,271.90
Less: Provision for Doubtful debts (Refer Note.16)	212.42	267.36
	19,351.51	17,004.54
SCHEDULE - 9 : CASH AND BANK BALANCES :		
Cash on Hand	4.77	4.68
Balance with Scheduled Bank		
In Current Accounts	104.29	80.80
In Unpaid Dividend Accounts	9.85	9.30
In Margin for LC / BG	710.11	471.50
Balance with Non-Scheduled Banks		
In Current Accounts	7.24	331.48
	836.26	897.76
SCHEDULE - 10 : OTHER CURRENT ASSETS :		
Telephone & Rent Deposits	26.76	183.68
EMD & Security Deposits	404.84	381.82
Other Current Assets	469.52	56.26
Prepaid Expenses	450.75	93.24
TDS Receivables	183.83	168.56
	1,535.70	883.56

Schedules Forming Part of the Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 11 : LOANS AND ADVANCES:		
(Considered Good For which the company holds no security other than personal security)		
Advances to Subsidiary Companies	1,822.05	12.15
Advance for Share Capital in Subsidiary Company	-	1,632.45
Advances recoverable in cash or in kind	1,118.90	115.17
Trade Advances	1,825.98	-
	4,766.93	1,759.77
SCHEDULE - 12 : LIABILITIES :		
Sundry Creditors	7,646.12	5,680.19
Other Liabilities	1,203.22	463.40
Advances from Customers	1,499.63	-
	10,348.97	6,143.59
SCHEDULE - 13: PROVISIONS :		
Provisions for Dividend	50.07	48.59
Provision for Dividend tax	16.77	8.26
Provision for Income Tax	303.85	94.42
Provision for FBT	-	8.67
	370.69	159.94
SCHEDULE -14 :DEFERED TAX LIABILITIES :		
As per last Balance Sheet	(742.76)	(371.93)
Adj : for the year from profit & loss account	(390.43)	(370.83)
	(1,133.19)	(742.76)

Schedules Forming Part of the Profit & Loss Account for the year ended 31st March, 2010

(Rs. in Lakhs)

	Year ended 31-03-2010	Year ended 31-03-2009
SCHEDULE -15 : OTHER INCOMES :		
Interest received from Banks	43.41	168.31
Commissions & Other Incomes	35.23	12.27
Exchange Rate Difference Gain	-	632.63
	78.64	813.21
SCHEDULE -16 : INCREASE / DECREASE IN STOCKS :		
Opening Stock		
Stock in Trade	2,585.06	2,291.09
Closing Stock		
Stock in Trade	3,429.92	2,585.06
Increase / (Decrease) in Stock	844.86	293.97

Schedules Forming Part of the Profit & Loss Account for the year ended 31st March, 2010

(Rs. in Lakhs)

	Year ended 31-03-2010	Year ended 31-03-2009
SCHEDULE - 17 : SALARIES & STAFF WELFARE :		
Salaries, Wages & Bonus	1,470.44	1,111.75
Contribution to PF, ESI, etc	107.20	61.36
Incentive	-	5.73
Staff Welfare	17.50	16.12
Directors Remuneration	46.80	46.80
Gratuity	45.92	3.53
	1,687.86	1,245.29
SCHEDULE - 18 : ADMINISTRATION EXPENSES :		
Rent	59.90	35.73
Electricity	17.13	13.94
Travelling & Conveyance	102.25	86.31
Postage & Telephone	164.64	87.34
Repairs & Maintenance - Vehicles	0.15	2.33
Repairs & Maintenance- Others	5.63	8.86
Books & Periodicals	0.07	0.07
Printing & Stationery	8.98	12.41
Training Expenses	14.67	6.54
Audit Fee	11.03	10.33
Donation	0.35	0.05
Sales Tax	-	27.05
Consultancy Charges	68.15	18.83
Insurance Premium	8.18	16.05
Legal Fees	4.50	2.40
Office Maintenance	23.24	19.88
Secretarial Expenses	22.38	10.05
Rates & Taxes	0.82	7.17
Sundry Expenses	92.64	93.20
Provision for Doubtful debts	149.97	267.36
Exchange Rate Difference Loss	48.92	-
	803.60	725.90
SCHEDULE - 19 : SELLING & DISTRIBUTIONS :		
Advertisement Expenses	2.03	15.08
Business Promotion Expenses	6.57	11.46
Commission & Discount	20.33	67.86
	28.93	94.40

ACCOUNTING POLICIES AND NOTES

SCHEDULE: 20 Notes on Accounts:

A. Significant Accounting Policies

1. SYSTEM OF ACCOUNTING

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

2. REVENUE RECOGNITION

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

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

Income from Investments is recognized 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.

3. USE OF ESTIMATES

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

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

4. FIXED ASSETS

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

5. DEPRECIATION

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

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

The software asset is depreciated at 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

6. INVESTMENTS

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

7. INVENTORIES

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

8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

9. PROVISION FOR TAXATION

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

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

10. LEASES

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

11. 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.

12. BORROWING COSTS

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

13.CASH FLOW STATEMENT

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

14.EARNINGS PER SHARE

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

15.SEGMENT REPORTING

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

16.IMPAIRMENT OF ASSETS

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

17.PROVISION AND CONTINGENCIES

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

B. Notes on Accounts

1) A) SHARE WARRANT

Share Warrant 2007 - 08

Pending approval from Stock Exchange the Shares have not been allotted to Share Warrant holders and hence kept under Share warrant money received pending allotment.

Share Warrant 2009 – 10

On 25/06/2009 the company has allotted 97,18,000 Equity Warrants of Re. 1/- each at a premium of Rs.17/- each. The allotment money at 25% has been received. The equity warrant holders have the option to convert the warrants into same number of equity shares within 18 months from the date of allotment. During this year one share warrant holder has opted to apply and convert 29,62,900 equity shares at Re. 1 /- each with premium of Rs. 17/- each. The balance money collected pending allotment are kept under Share warrant 2009 -10.

B) SECURED LOANS

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

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

C) UNSECURED LOANS

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

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

2) DEFERRED TAX LIABILITY

The provision for deferred tax liability for the year ended March 31, 2010 has been made in accordance with Accounting Standard 22 on Accounting for Taxes on Income. The Deferred Tax Liability as at March 31, 2010 is on account of Depreciation of Rs.3283.88 Lakhs and the Deferred Tax Assets as at 31st March, 2010 is on account of timing difference on provision for Gratuity of Rs.45.92 Lakhs.

3) FOREIGN EXCHANGE TRANSACTIONS

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

Particulars	2009-10 Rs in lakhs	2008-09 Rs in lakhs
F.O.B. Value of imports	1711.27	1794.57
Earnings in Foreign Exchange	NIL	NIL
Expenditure in Foreign Currency on account of Administrative expenses	2.33	1.40
Unsecured Loan –Interest on FCCB	552.83	501.02

4) LEASE

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

The lease rentals paid during the year and the future lease obligations of HP EMI's for agreements in vogue as on March 31, 2010 are as follows:

(Rs. in lakhs)

Lease rentals paid (including HP EMI's)	31st March, 2010	31st March, 2009
Lease rentals paid during the year	5.40	9.19
Future lease obligations	As at 31st March, 2010	As at 31st March, 2009
Due within 1 year from the balance sheet date	NIL	5.40
Due between 1 and 5 years	NIL	NIL
Due after 5 years	NIL	NIL

5) CONSUMPTION OF RAW MATERIALS AND COMPONENTS

Materials consumed

Particulars	2009-10 Rs in lakhs	2008-09 Rs in lakhs
Value of Imported Material Consumed	1711.27	1794.57
% of Above to Total Consumption	NIL	NIL
Value of Indigenous Material Consumed	10696.81	11274.93
% of Above to Total Consumption	86.21%	86.27%

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

6) RETIREMENT BENEFITS

During the year the Company has started contributing to Group Gratuity scheme with LIC of India to cover all eligible employees. As per the actuarial valuations as on 31st March 2010 and recognised in the financial statements in respect of employee benefit schemes as details furnished by LIC is given below: -

Rs. In Lakhs.

	PARTICULARS	Funded
(i)	Assumptions	%
	Discount Rate	8.00%
	Rate of Return on Plan Assets	8.00%
	Attrition rate	1 - 3%
	Salary Escalation	5.00%
(ii)	Table Showing Change in present value of obligation as on 31/03/2010	
	Present value of obligation as at beginning of the year	1.91
	Interest Cost	0.15
	Current Service Cost	4.26
	Benefit Paid	2.41
	Actuarial (gain) / Loss on obligations	41.64
	Present value of obligation as at end of the year	45.56

(iii)	Table Showing Change Fair value of Plan Assets as on 31/03/2010	
	Fair Value of Plan Assets at the beginning of the year	3.01
	Expected Return on Plan Assets	0.14
	Contributions	0.00
(iv)	Table Showing Fair value of Plan Assets	
	Fair Value of Plan Assets at the beginning of the year	3.01
	Actual Return on Plan Assets	0.14
	Contributions	0.00
	Benefit Paid	2.41
	Actuarial gain / (loss) on Plan Assets	0.00
	Fair Value of Plan Assets at the end of the year	0.74
	Funded status	44.82
	Excess of actual over estimated return on plan assets	NIL
	(Actual rate of return – Estimated rate of return as ARD falls on 31st March	
(v)	Actuarial Gain /Loss recognized as on 31/03/2010	
	Actuarial (Gain) /Loss on obligation	41.64
	Actuarial (Gain) /Loss for the year – plan assets	NIL
	Actuarial (Gain) /Loss on obligations	41.64
	Actuarial (Gain) /Loss recognized in the year	41.64
(vi)	The amounts to be recognised in the balance sheet and statements of Profit and loss	
	Present value of obligation as at end of the year	45.56
	Fair Value of Plan Assets at the end of the year	0.74
	Funded status	44.82
	Net asset/ (liability) recognized in balance sheet	44.82
(vii)	The amounts to be recognised in statements of Profit and loss	
	(i) Current Service Cost	4.26
	(ii) Interest Cost	0.15
	(iii) Expected Return on Plan assets	0.14
	(iv) Net Actuarial (Gain) / Loss to be Recognised	41.64
	(v) Expense Recognized in Profit & Loss A/c	45.91

Investment details of plan assets:

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

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

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

7) AUDIT FEES

Particulars	2009-10 Rs. In lakhs	2008-09 Rs. In lakhs
Statutory Audit (inclusive of service tax)	8.27	8.27
Tax Audit (inclusive of service tax)	2.76	2.76
Total	11.03	11.03

8) MANAGERIAL REMUNERATION

REMUNERATION TO DIRECTORS:

Nature of Remuneration	Chairman R.Ramkumar		Director R. Vijaykumar		Managing Director B.Sreekrishna		Director B. Srinivasan	
	2009 - 10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Salary	12.00	12.00	12.00	11.99	12.00	11.99	10.80	10.80
Gratuity Provided	0.23	0.78	0.23	0.78	0.23	0.78	0.23	0.78
Contribution to PF and other funds	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Total	12.32	12.87	12.32	12.86	12.32	12.86	11.12	11.67

Rs. In Lakhs

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

Particulars	Year ended March, 2010	Year ended March, 2009
Net profit after tax	834.70	57.91
Add: Whole-time Directors' remuneration	46.80	35.98
Provision for taxation	694.27	473.90
Net profit as per section 198 of the Companies Act	1575.77	567.79

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

9) SEGMENT REPORTING

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

10) RELATED PARTY DISCLOSURE

TRANSACTIONS WITH RELATED PARTIES:

Key Management Personnel

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

Other Non – Executive Directors

- C.V. Bhaskar – up to 30/12/2009
- Eswaran Annamalai
- K. Hariharan
- Satyanarayanan
- Harisethuraman – From 30/12/2009

Rs. in Lakhs

Name of the Key Management Personnel	Relationship	Nature of Payment	Amount Rs. in lakhs	
			2009-10	2008-09
R Vijay Kumar	Director	Salary	12.00	11.99
R Ram Kumar	Chairman	Salary	12.00	12.00
B Sreekrishna	Managing Director	Salary	12.00	11.99
B. Srinivasan	Director	Salary	10.80	10.80
R Ram Kumar	Chairman	Lease Rent	2.00	2.00
R Ram Kumar	Chairman	Lease Advance Outstanding (as at year end)	30.00	32.00

Subsidiary & Associate Companies

- Gemini Traze RFID Private Limited (RFID) (100% Subsidiary)
- Point Red Telecom Private Limited (Pointred) (100% Subsidiary)
- Gemini Infotech Limited, Hong Kong (100% Subsidiary)
- PR Wireless Tech Limited, Hong Kong (100% Subsidiary of Pointred)
- Veeras Infotek Private Limited (51% Subsidiary of Gemini Infotech Limited)

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

Rs. in Lakhs

Name of Transaction	Transactions for the Period Ended		Balances outstanding as at	
	31st March 2010	31st March 2009	31st March 2010	31st March 2009
Loan Given to RFID	86.39	7.63	95.32	8.93
Purchases from RFID	4.97	19.22	4.01	4.69
Sales to RFID	NIL	1438.91	NIL	NIL
Loans Given to Pointred	2099.15	3.09	1477.69	2.71
Purchases from Pointred	3620.63	2131.65	2582.71	762.17
Sales to Veeras Infotek Pvt. Ltd	NIL	6.29	NIL	6.29
Purchases from Veeras Infotek Pvt. Ltd	140.87	40.91	132.99	32.24
Advance to Veeras Infotek Pvt Ltd	1.40	NIL	1.40	NIL
Purchases from PR Wireless Tech Ltd	2090.48	NIL	1059.91	NIL
Advance to PR Wireless Tech Ltd	247.63	0.51	247.63	0.51
Advance to Gemini Infotech Ltd	0.20	1632.45	0.20	1632.45
Purchase of Shares of Gemini Infotech Ltd	1632.44	2158.57	3791.01	2158.57

- 11) Sundry Creditors outstanding Rs.7646.11 Lakhs as on 31st March 2010 represents the dues to creditors other than Micro enterprises and Small enterprises. There is no principal or interest due or unpaid their on to any supplier of micro, small and medium enterprises as at the year end.
- 12) The estimated amount of contracts remaining to be executed on account of Capital account as at 31st March 2010: Nil
- 13) Bank Guarantees outstanding as on 31.03.2010 is Rs.506.45 Lakhs (P.Y 1715.72 Lakhs) and the company has extended corporate guarantee to the banks for loans obtained by subsidiary companies. The Bank guarantee are secured by properties of subsidiary company.

14) Contingent Liabilities

- a. The revision demand for A.Y 2001 – 02 amounting to Rs.5.33 is pending for payment.
 - b. The company's Income tax appeal for Assessment Year 2002 – 03 was partially allowed in favor of the company by ITAT. For the balance demand of Rs.10.45 Lakhs the company has filed appeals before Honorable High Court of Madras. Against this, the company has paid a sum of Rs.4.00 Lakhs under protest. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
 - c. The Income Tax department has made an order for the Asst. Year 2006-07 demanding a sum of Rs.419.69 Lakhs which is stayed by the Honorable High Court of Madras. The tax demand is on account of disallowance of deduction u/s.80IC claimed by the company. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
 - d. Assessment Year 2007 – 08 the A.O made an order u/s 143(1)(a) demanding Rs. 62.07 lakhs for disallowance of TDS certificates for which the company has filed rectification petition before the A.O. Considering the Company's chance of reduction in demand the amount has not been provided for.
 - e. A.O. made an order for the Assessment Year 2008 -09 u/s 143(1)(a) demanding a sum of Rs.344.31 lakhs , which was disputed before High Court of Chennai and as per the directions of High Court the company has preferred representation before the A.O for rectification / modification. Considering the Company's chance of success the amount has not been provided for.
 - f. The Central Excise department has made an order demanding a sum of Rs.56.80 Lakhs for the year 2000-01 against which the company has filed an appeal before CCE (A). Considering the company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
- 15) Obtaining of Confirmation of balances from Sundry Debtors, Sundry Creditors, Loans & Advances, Deposits & Other Current Assets are pending. Considering the huge volume of Government Departments outstanding not being confirmed by the respective departments, the confirmations and reconciliation of balances as on 31st March, 2010 is still in progress.
 - 16) In the opinion of the Management, all current assets including Sundry Debtors, Loans & Advances, Deposits and Other Current Assets are realizable in the ordinary course of the business at the values stated. On a conservative basis the

management has provided for bad and doubtful debts on receivables overdue for more than 3 years amounting to Rs.149.97 Lakhs for the year. Against provision for bad and doubtful debts outstanding as on 31.03.09 a sum of Rs. 204.90 lakhs has been collected. The balance provision for bad debts outstanding as on 31.03.10 is Rs. 212.42 lakhs.

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

18) Earnings Per Share

Particulars	As at 31st March 2010	As at 31st March 2009
Profit available to Equity Share holders used as Numerator - (A) In Rs.	8,34,70,475	57,90,612
Number of Shares outstanding	1,001,42,900	9,71,80,000
Weighted Average Number of shares outstanding - (B)	9,76,34,582	9,71,80,000
Effect of dilution on issue of share warrants and 6% Convertible Bonds - (C)	4,06,03,400	1,30,20,680
Weighted Average No. of Equity Shares including potential shares - (D)	13,82,37,982	11,02,00,680
Adjusted PAT for Dilution of Convertible Bonds (E)	11,99,65,326	3,61,05,213
Earnings per share (Basic) - (A/ B) In Rs.	0.85	0.06
Earnings per share (Diluted) - (E / D) In Rs.	0.87	0.33

19) INVESTMENTS

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

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

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

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

- Issue date 17.07.2007 and maturity date 18.07.2012
- Conversion price is Rs. 102.62/- (of Re 1/- each) (subject to adjustment to conversion price) with a fixed rate of exchange of conversion of Rs.54.87 per € 1. As per this the conversion price has been reset to 83.36 (of Re 1/- each).

- Conversion price is subject to suitable adjustment for the issue of bonus, subdivision and capitalization of reserves etc. The maximum adjustment to conversion price is subject to SEBI approved minimum conversion price, i.e., floor price of Rs. 416.80 per share.
- The bonds can be converted at the option of the company at any time on or after 3 years from the issue date.
- The bond holders have the option to redeem the bonds, subject to other conditions as under

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

- Up to the year ended 31.03.2010, the bond holders have not exercised conversion option or not opted for early redemption and the company has met the interest commitment till date.

21) Balance in the other banks (Non Scheduled Banks) represents the balances with RBS Coutts Bank Von Ernst Ltd, Singapore.

In Current Account outstanding and Maximum Balance held at any time during the year is Rs.7.33 Lakhs. None of the Directors are interested in the above bank.

22) Sundry Debtors include amount due from subsidiary companies amounting to Rs. NIL (P.Y Rs. 6.29 Lakhs) .

23) Sundry Creditors include an amount of Rs. 2191.78 Lakhs (P.Y Rs.799.31 Lakhs) due to subsidiary Companies.

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

Balance Sheet Abstract and Company's General Business Profile

(Rs. in Lakhs)

(I)	Registration Details	
	Registration No.	0030087
	State Code	18
	Balance Sheet Date	31-03-2010
(II)	Capital raised during the year	Rs. In lakhs
	Public Issue	NIL
	Right's Issue	NIL
	Bonus Issue	NIL
	Private Placement	839.55
	GDR Issue	NIL
(III)	Position of Mobilisation and Deployment of Funds	
	Total Liabilities	34,257.25
	Total Assets	34,257.25
	Sources of Funds	
	Paid-up Capital	1,001.43
	Reserves & Surplus	8,845.48
	Secured Loans	14,482.58
	Unsecured Loans	8,287.34
	Deferred Tax Liabilities	1,133.19
	Application of Funds	
	Net Fixed Assets	9,478.74
	Investments	5,577.85
	Net Current Assets	19,200.66
	Misc. Expenditure	NIL
	Accumulated Losses	NIL
(IV)	Performance of Company	
	Turnover	22,260.79
	Total Expenditure	20,731.81
	Profit Before Tax	1,528.98
	Profit After Tax	834.71
	Earnings Per Share in Rs.	0.86
	Dividend Rate %	5%

(V) Generic Names of the Three Principal Products/Services of Company

Item	Code No.(ITC code)	Product Description
1	851730.05	Networking Equipments

As per Our Report of even date
 For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS

R. RAMKUMAR
 Chairman

B.SREEKRISHNA
 Managing Director

R. THIRUMALMARUGAN
 Partner

R. VIJAY KUMAR
 Director

J.CHANDRAMOULI
 Company Secretary

Place : Chennai
 Date : 06-09-2010

Statement of Cash Flow for the year ended March 31, 2010

(Rs. in Lakhs)

	Year ended 31-03-2010	Year ended 31-03-2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before tax	1,528.98	531.82
Adjustment for Depreciation	2,123.15	2,352.84
Interest Paid	2,383.62	2,475.49
Interest Received	(43.41)	(168.31)
- Profit on Sale of furniture	-	(0.04)
Provision for Bad Debts	212.42	-
Exchange differences on translation of foreign currency cash and cash equivalents	48.92	(58.32)
Operating Profit before working Capital Changes	6,253.70	5,133.48
Changes in Current Assets & Current Liabilities		
Adjustments for Trade & other receivables		
Decrease (increase) in sundry debtors	(2,559.39)	(4,798.11)
Decrease (increase) in inventories	(844.86)	(293.97)
Decrease (increase) in Other current assets	(652.14)	(346.03)
Decrease (increase) in loans and advances (excluding Adv. for Share Capital)	(4,639.62)	(25.76)
Increase (Decrease) in current liabilities	4,205.37	3,666.29
Cash Generated from / used in Operating Activities	1,763.05	3,335.90
Direct Taxes Paid	(103.08)	(414.35)
Net Cash Provided by Operating Activities	1,659.97	2,921.55
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,879.35)	(1,516.03)
Proceeds from Sale of Fixed Assets		3.84
Investment in Subsidiary Companies (Including Advance for Share Capital)	-	(3,727.83)
Interest Received	43.41	168.31
	(2,835.94)	(5,071.71)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (Decrease in Loans) net of repayments	2,756.06	409.92
Proceeds from Issue of Share Warrants / Shares(including premium)	839.55	-
Interest Paid	(2,383.62)	(2,475.49)
Dividend Paid	(48.59)	(154.77)
	1,163.39	(2,220.34)
D EXCHANGE DIFFERENCE		
Exchange difference on translation of foreign currency cash and cash equivalents (d)	(48.92)	58.32
	-	
Total increase (decrease) in cash and equivalents during the year (a + b + c + d)	(61.50)	(4,312.18)
Cash and equivalents at the beginning of the year	897.76	5,209.94
Cash and equivalents at the end of the year	836.26	897.76

As per Our Report of even date
 For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS

B.SREEKRISHNA
 Managing Director

R. THIRUMALMARUGAN
 Partner
 Place : Chennai
 Date : 06/09/2010

J. CHANDRAMOULI
 Company Secretary

Statement under section 212 of the Companies Act, 1956

Name of the Subsidiary Companies of Gemini Communication Ltd (GCL)	Pointred Telecom (P) Ltd	Gemini Trase RFID (P) Ltd	Veeras Infotek (P) Ltd	Gemini Infotech Ltd Hong Kong	PR Wireless Tech Ltd. Hong Kong
Financial year of subsidiary ended on	March 31,2010	March 31,2010	March 31,2010	March 31,2010	March 31,2010
Number of equity Shares held by GCL in capital of subsidiary	10,131,099.00	1,349,999.00	124,898.00	60,000,000.00	9,999.00
Face value of shares	Rs. 10 /- each	Rs. 10 /- each	Rs. 10 /- each	HK \$ 1 each	HK \$ 1 each
Extent of Interest of GCL	100%	100%	51%	100%	100%
Net aggregate amount of profits or losses of the subsidiary so far as it concerns the members of GCL and is not dealt in the accounts of GCL	NIL	NIL	NIL	NIL	NIL
Net aggregate amount of profits or losses of the subsidiary so far as it concerns the members of GCL dealt with or provided for in the accounts of GCL	NIL	NIL	NIL	NIL	NIL

Statement relating to subsidiary Companies as at March 31, 2010

(Rs.in Lakhs)

Name of the subsidiary Company of GCL	Pointred Telecom (P) Ltd	Gemini Trase RFID (P) Ltd	Veeras Infotek (P) Ltd	Gemini Info-tech Ltd Hong Kong	PR Wireless Tech Ltd. Hong Kong
Issued and subscribed share capital	1,013.11	568.50	24.49	3,494.39	0.60
Reserves	(133.68)	205.74	310.11	1,069.17	2,455.94
Total liabilities	5,469.67	2,045.40	1,632.15	4,785.11	2,867.39
Turnover	4,611.41	1,701.16	4,237.82	3,694.86	5,370.20
Profit / Loss after	(272.56)	(1.89)	74.28	401.30	2,156.03
Proposed Dividend taxation	-	-	-	-	-

R. RAMKUMAR
Chairman

B.SREEKRISHNA
Managing Director

Place : Chennai
Date : 06 - 09 - 2010

R. VIJAY KUMAR
Director

J.CHANDRAMOULI
Company Secretary

Statement as per Central Government Approval under Section 212 of the Companies Act, 1956

Order No : 47 / 181 / 2010 - CL - III

Dated : 05/04/2010

(Rs.in Lakhs)

Particulars	Pointred Telecom (P) Ltd	Gemini Trase RFID (P) Ltd	Veeras Infotek (P) Ltd	Gemini Infotech Ltd Hong Kong	PR Wireless Tech Ltd. Hong Kong
CAPITAL	1,013.11	568.50	24.49	3,494.39	0.60
RESERVES	(133.68)	205.74	310.11	1,069.17	2,455.94
TOTAL ASSET	5,469.67	2,045.40	1,632.15	4,785.11	2,867.39
TOTAL LIABILITES	5,469.67	2,045.40	1,632.15	4,785.11	2,867.39
DETAILS OF INVESTMENT	-	-	-	384.16	-
TURNOVER	4,611.41	1,701.16	4,237.82	3,694.86	5,370.20
PROFIT BEFORE TAXATION	(257.95)	11.50	73.37	401.30	2,156.03
PROVISION FOR TAXATION	14.61	13.39	(0.91)	-	-
PROFIT AFTER TAXATION	(272.56)	(1.89)	74.28	401.30	2,156.03
PROPOSED DIVIDEND	NIL	NIL	NIL	NIL	NIL

1 USD = Rs. 48.045 (Average rate)

= Rs. 45.14 (Closing rate)

R. RAMKUMAR
 Chairman

B.SREEKRISHNA
 Managing Director

 Place : Chennai
 Date : 06 - 09 - 2010

R. VIJAY KUMAR
 Director

J.CHANDRAMOULI
 Company Secretary

Management Discussion & Analysis

This Report may contain forward-looking statements which may be identified by the use of words like 'plans', 'expects', 'anticipate', 'believes', 'intends', 'projects', 'will' etc and other words of similar meaning. These statements are based on certain assumptions and expectations of future events. We cannot guarantee that these assumptions and expectations are accurate or will materialize. Actual results may differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Company Profile

Gemini Communication is one of the trusted partners in System Integration space covering the entire gamut of Telecom and IT Services, including Network, Security, Services, Storage, LAN, WAN, e-Governance, ITeS, IT Consulting, Wireless domains including Mobile WiMax. GCL has 18 offices, 132 service locations geographically spread across India. We have 4 international offices with a staff strength grown to 2000 and revenue at Rs.349.46 Crs. Gemini has more than 2000 customers in India with customer retention of over 96% and a vast portfolio of products & solutions for the IT & Telecom industry

Gemini's subsidiaries, PointRed Telecom, being the first to rollout WiMax in India continues to be a pioneer in the wireless communication space; PointRed Telecom is the World's largest 4G system supplier and India's only 4G Equipment Manufacturer (WiMax & LTE). Gemini Traze RFID, one of the first RFID manufacturing company in India; Gemini holds a 51% stake in Veeras Infotek through Gemini Infotech which is a 100% subsidiary of Gemini Communication Ltd. Gemini acquired Rosy Blue Wireless in Africa as a step towards its global expansion plans.

Gemini has ventured into new avenues having a huge market potential to become leaders in that space. Our achievements on the wireless segment are a standing example. Gemini received several coveted awards, with the recent one being the CorpExcel 2008 Award

conferred by Corporation Bank for being one of the best and outstanding entrepreneurs in the Medium Scale sector. Gemini will continue to expand its presence and strengthen its base in the market both domestically and internationally.

Industry Performance and Outlook

The Indian Information Technology- Information Technology-Enabled Services (IT-ITES) industry has continued to perform its role as the most consistent growth driver for the economy. The growth of India's IT industry has been driven largely by domestic consumption, which has left India less exposed than many emerging markets to global economic cycles. As IT buyers mature and consumers increasingly understand the benefits of IT, acceptance of technology will increase, leading to further growth of the IT market. The Indian government's focus on infrastructure projects with IT dimensions will be a strong driver for overall growth of the sector within the country.

Over the last five years, the IT & ITES industry has grown at a remarkable pace. Consider some of the significant indicators for these remarkable achievements. The Indian IT sector including the domestic and exports segments continue to grow from strength to strength, witnessing high levels of activity both onshore as well as offshore. Operational excellence with low delivery cost, quality leadership and a conducive business environment are the key to success. Favourable policy interventions, enabling infrastructure and augmenting a wide skill base from the government has further enhanced India's brand image. The Department of IT is coordinating strategic activities, promoting skill development programmes, enhancing infrastructure capabilities and supporting R&D for India's leadership position in IT and IT-Enabled services.

IT spending in the country will grow 14% in 2010 on the back of increased domestic consumption and investment by the government. In 2013, the overall IT market will have risen to about USD 89 billion posting a CAGR of 11% from 2009. The Indian PC market is expected to grow by 19% in 2010 and by more than 21% in 2011,

the Indian server market will reach USD 551 million in 2010 and the Indian IT security market is forecast to grow more than 20% in 2010. The IT companies' need to focus on security, services, storage, networking and communication is further enabling Gemini to have an increased customer base.

The System Integration (SI) industry continues to do well with total opportunity touching 40,000 Cr including PC Hardware market, SI, Servers, Network Storage, Security and Services. In the wireless communication space, the major opportunities for WiMAX lie in the developing regions where broadband deployment is still in its early stages of adoption. WiMAX seems to be the ideal option, which offers high-speed connectivity with reduced capital and operating expenditures. Pointred capitalizes on this opportunity and leveraging on their experience on these projects they are all set to play a key role in the deployment of Mobile and WiMAX across the world. The WiMAX market is taking off in both developed and developing markets and PointRed, being a technology neutral company is keen on moving on to WiMAX 2 and LTE to empower wireless communication infrastructure.

All of the above had led to an increase in the market potential for Gemini. With our presence in the market for 15 years and with employee strength of close to 2000, we have always been ready to meet the dynamic needs of the market. Our strategy lies in Innovation and Leadership which is the key to success in an industry that re-invents itself. We will continue to constantly adapt ourselves to these changing needs of the market and take advantage of the huge market potential that exists to exceed your expectations.

Our Performance

Gemini has grown by 25% to reach total revenue of 349.46 Crs and has crossed the 300 Cr mark which is yet another significant milestone in its growth path. Such ever-increasing growth has always been feasible due to continuous innovations in all aspects including technology and outstanding leadership. These have been Gemini's driving force to success right from its inception. Gemini sees itself exceeding the existing

growth pace and is expecting to increase by close to 100% by next financial year touching 600 Crs. This phenomenal growth % from double digit to triple digit is estimated to be achieved due to the subsidiary companies contribution and Gemini is very confident of achieving this with the current order book position of around 400 Crs. Its global expansion with the acquisition of Rosy Blue Wireless and the huge market potential that exists in the wireless space boosts its optimistic outlook further.

Government Policies

Government spending on IT Infrastructure has always been on the rise. The Indian Government continues to take a large number of initiatives to usher in an era of e-Government. E-Governance in India has steadily evolved from computerization of Government Departments to initiatives that encapsulate the finer points of Governance. E-Infrastructure will be the key enabler for the information and knowledge society. E-Governance projects have led to large scale investments in IT infrastructure by the Indian government at the central, state and local levels. With the aim to modernize its services, IT spending by India's public sector reached an estimated \$3.1 billion in 2008 and is further expected to grow to \$5.1 billion by 2011, indicating a compounded annual growth rate (CAGR) of nearly 19 percent from 2007 to 2011. More than two-thirds of the total IT spending will be undertaken by the central government, with state government and local governments contributing to the rest of the spending. In terms of IT segments, hardware corners half of the overall spending, while IT services has a bigger share than software. Despite the slowdown in IT spending by different verticals, spending by the Indian government in 2009 has led to momentum in the marketplace with vendors realigning their plans and strategy for this segment. This momentum will be carried forward in 2010 and 2011. IT investments in the public sector make this a high potential space for IT vendors. When you look at the rest of the countries in the Asia, storage accounts for 25% of IT spending in the government sector; in India it is currently about 8-9%, but this is likely to change in 2010. It could go up to 18-20% in the next couple of years. As far as spending on storage is concerned, there have been a lot of government projects in the pipeline for some time that are likely to be finalized in 2010. This could have a significant impact on the storage market. The national and state e-governance projects are expected to drive huge

investments in network connectivity and in automation of business processes in 2010. Even during the harsh conditions of the recession, government segment emerged as recession proof vertical and showed positive growth rate. According to reports, the government vertical is expected to register a CAGR of 16.5% from 2009-14.

With State Wide Area Networks (SWANs) in the final stages of implementation in most States and continued stimulus from State government's SWAN projects on branch connectivity, the network equipment market is expected to be one of the key focus for government over the next two years.

India State Data Centre is a project mandated by the Indian government to provide the core infrastructure for the e-Governance initiatives of the National eGovernance Plan (NeGP). The plan proposes that each of the 28 states and seven union territories create a data center that consolidate services, applications and infrastructure to provide efficient electronic delivery of government-to-government (G2G), government-to-citizen (G2C) and government-to-business (G2B) services. States are required to have their data centers up and operational by March 2011.

The launch of High Speed 4G Mobile WiMAX networks by BSNL offers significant opportunity for rural employment and will bridge the urban rural divide. Gemini with its expertise and experience in the IT infrastructure space coupled with its rich experience in executing large government projects has a good chance to capture sizable market share.

Opportunities and Threats

Our opportunities are many in the wireless, RFID, Energy & Utilities, System Integration including networking, virtualization, storage, security, consulting etc. The Data Centre, State Wide Area Networks and other huge projects

initiated by the Government to connect rural villages on networks offer ample potential for Gemini. We are constantly innovating to stay abreast with the technology and position ourselves in the market. We have always got into new technology areas and become market leaders in that space and ensure to prepare ourselves to face the competition in each space. Government's policies on the IT industry are a boon to our business and any change in the same may pose a threat to us. But, we are sure that with the Government's plans on the IT spending in the past, such a change is not likely to happen.

Future Outlook

Connectivity and Convergence continues be our future! WiMAX broadband subscribers in India will outnumber 3G subscribers by 2014. There will be 20 million 3G-based broadband subscribers by 2014 as opposed to 60 million WiMax users. According to reports, the worldwide WiMAX equipment and devices market is expected to hit \$4.9 billion in 2013,

predominantly driven by developing countries. The number of WiMAX subscribers is expected to near 140 million worldwide in 2013. Over one-third of the world's WiMAX equipment and device revenue comes from EMEA (mostly Eastern

Europe, the Middle East, and Africa); one-third comes from Asia Pacific. The market size of System Integration is close to Rs. 40000 Crs, the enterprise solutions' at Rs. 2150 Crs and WiMax market size at close to Rs. 40000 Crs. With our subsidiaries focussing on these varied technologies, we would be largely benefitted as we have positioned ourselves well to address these markets. We shall further increase our global presence with more base across the world. We shall continue to be market leaders in wireless communication and continue with our innovations to increase our product portfolio and enhance our services to customers.

R.Ramkumar
 For and on behalf of the Board
 For GEMINI COMMUNICATION LTD
 Chairman

AUDITORS' REPORT

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

1. We have audited the attached Consolidated Balance Sheet of Gemini Communication Ltd as at 31st March, 2010, the Consolidated Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 5938.88 lakhs as at March 31, 2010 and total revenues of Rs. 7525.69 lakhs and total cash inflows of Rs.399.19 lakhs (net) for the year ended on that date considered in the consolidated financial statements. These financial statements and other financials information have been audited by other auditors whose reports have been furnished to us and in our opinion in respect thereof is based solely on the reports of such other auditors.
4. We report that, the consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, and on the basis of the separate audited financial statements of Gemini Communication Ltd and its subsidiaries included in Consolidated Financial Statements.
5. Attention is invited to note 13 in notes on accounts with regards pending confirmation of balances from Sundry Creditors, Sundry Debtors, Loans & Advances, Other Current Assets and Deposits wherein the effect, if any, on the financials are not quantifiable and note no 12 with regard to non provision of disputed demands towards Excise duty and Income Tax.
6. On the basis of information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of Gemini Communication Ltd and its subsidiaries, we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. in the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of Gemini Communication Ltd and its Subsidiaries as at 31st March, 2010;
 - b. in the case of the consolidated Profit & Loss account, of the PROFIT for the year ended on that date; and
 - c. In the case of Consolidated Cash Flow, the Cash Flows for the year ended on that date.

Place: Chennai
 Date:06/09/2010

For M/s CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 R.THIRUMALMARUGAN
 PARTNER
 Membership No: 200102
 Firm No:004915S

Consolidated Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	Schedule	As at 31-03-2010		As at 31-03-2009	
I SOURCES OF FUNDS					
(1) Shareholder's Funds:					
(a) Capital	1	1,001.43		971.80	
(b) Share Warrant	1A	507.23		201.00	
(c) Reserves and Surplus	2	12,555.78	14,064.44	8,884.40	10,057.20
(2) Minority Interest			173.64		137.24
(3) Loan Funds:					
(a) Secured Loans	3	16,246.26		12,080.98	
(b) Unsecured Loans	4	8,576.29	24,822.55	8,332.13	20,413.11
(4) Deferred Tax Liability	14		1,213.95		801.68
TOTAL			40,274.58		31,409.23
II APPLICATIONS OF FUNDS					
(1) Good Will			470.65		470.65
(2) Fixed Assets:	5				
(a) Gross Block		20,166.84		14,315.83	
(b) Less: Depreciation		7,497.18		4,403.35	
(c) Net Block		12,669.66		9,912.48	
(d) Capital Work In Progress		-	12,669.66	-	9,912.48
(3) Investments	6		-		-
(4) Current Assets, Loans and Advances:					
(a) Inventories	7	3,840.23		2,850.43	
(b) Sundry Debtors	8	25,851.71		19,350.89	
(c) Cash and Bank Balances	9	1,490.59		1,152.90	
(d) Other Current Assets	10	2,574.19		976.33	
(e) Loans and Advances	11	4,042.38		4,922.67	
		37,799.10		29,253.22	
Less: Current Liabilities and Provisions:					
(a) Liabilities	12	10,281.65		8,056.80	
(b) Provisions	13	383.18		170.32	
Net Current Assets		10,664.83	27,134.27	8,227.12	21,026.10
(5) Miscellaneous Expenditure			-		-
TOTAL			40,274.58		31,409.23
Notes on Accounts	20				

As per Our Report of even date
 For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
 Partner

Place : Chennai
 Date : 06-09-2010

R. RAMKUMAR
 Chairman

R. VIJAY KUMAR
 Director

B.SREEKRISHNA
 Managing Director

J.CHANDRAMOULI
 Company Secretary

Consolidated Profit and Loss Account for the year ended 31st March, 2010

(Rs. in Lakhs)

	Schedule	For the year ended 31-03-2010	For the year ended 31-03-2009
INCOME			
Sales income from Network Product & Services		34,946.09	27,920.11
Other Income	15	131.96	1,021.51
Increase / (Decrease) in Stock	16	989.81	305.50
		36,067.86	29,247.12
EXPENDITURE			
Cost of Materials & Project expenditure		22,746.77	19,735.70
Salaries & Staff Welfare	17	2,247.24	1,435.53
Administrative Expenses	18	1,408.54	1,459.72
Selling & Distribution Expenses	19	80.96	147.09
Preliminary Expenses		-	2.32
Depreciation	5	3,118.79	2,421.18
		29,602.30	25,201.54
PROFIT BEFORE INTEREST & TAX		6,465.56	4,045.58
Less : Interest & Financial Charges		2,481.51	2,523.23
PROFIT BEFORE TAX		3,984.05	1,522.35
Less: Provision for Current Tax & Wealth Tax		309.10	103.91
Less: Provision for Fringe Benefit Tax		-	10.11
Adj: Provision for Deferred Tax		412.27	391.26
PROFIT AFTER TAX		3,262.68	1,017.07
Less: Provision for Minority Interest		(36.40)	(12.60)
Available for Appropriation		3,226.28	1,004.47
Proposed Dividend @ 5%		50.07	48.59
Tax on Dividend @ 16.995%		8.51	8.26
		58.58	56.85
BALANCE OF PROFIT CARRIED TO BALANCE SHEET		3,167.70	947.62
EPS - Basic		3.34	1.05
- Diluted		2.62	1.20
Notes on Accounts	20		

As per Our Report of even date
For CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
Partner

Place : Chennai
Date : 06-09-2010

R. RAMKUMAR
Chairman

R. VIJAY KUMAR
Director

B.SREEKRISHNA
Managing Director

J.CHANDRAMOULI
Company Secretary

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 1 : CAPITAL:		
SHARE CAPITAL		
Authorised :		
15,00,00,000 Equity Shares of Rs.1/- each	1,500.00	1,500.00
ISSUED, SUBSCRIBED & PAID-UP :		
10,01,42,900 Equity Shares of Rs.1/- each (P.Y - 9,71,80,000 Equity Shares of Rs.1/- each) (of the above 96,68,000 shares were issued as fully paid bonus shares during the year 2007-08 by capitalising Profit & Loss A/c)	1,001.43	971.80
	1,001.43	971.80
SCHEDULE - 1A : SHARE WARRANT (Refer Note 1)		
a) Advance Received for Share Warrant - 2007-08	201.00	201.00
b) Advance Received for Share warrant - 2009-10	306.23	-
	507.23	201.00
SCHEDULE - 2 : RESERVES AND SURPLUS:		
a) Capital Profit (On Reissue of Forfeited Shares) As per Last Year Balance Sheet	3.79	3.79
	3.79	3.79
b) Securities Premium Amount	2,482.00	2,482.00
Add: Current year receipts	503.69	-
	2,985.69	2,482.00
c) GENERAL RESERVE :		
As per Last Year Balance Sheet	498.86	498.86
	498.86	498.86
d) Profit and Loss account as per last year	5,899.74	4,952.12
Add: Transfer from Profit & Loss Account	3,167.70	947.62
	9,067.44	5,899.74
Total (a+b+c+d)	12,555.78	8,884.40
SCHEDULE - : LOAN FUNDS :		
SCHEDULE -3 : SECURED LOANS		
From Bank - Cash Credit	4,647.77	4,622.83
- LC	1,393.09	-
- Term Loan	10,205.40	7,458.15
	16,246.26	12,080.98
SCHEDULE -4 : UNSECURED LOANS		
6% Convertible Bonds 2012 (Refer Note 17)	8,230.50	8,230.50
Car hire purchase loan	-	5.40
From Others	345.79	96.23
	8,576.29	8,332.13

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2010

Schedule - 5 : Fixed Assets

(Rs. in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2009	Additions during the Year	Deletion	As at 31.03.2010	As at 01.04.2009	For the Year	Deletion	As at 31.03.2010	As at 31.03.2009
LAND & BUILDING :									
Land	674.20	-	-	674.20	-	-	-	674.20	674.20
Land - Lease hold	40.12	-	-	40.12	0.64	0.41	-	39.08	39.49
Building	508.16	-	-	508.16	16.70	8.28	-	483.18	491.46
PLANT & MACHINERY :									
Computer Machinery	1,637.78	23.57	-	1,661.36	571.91	273.10	-	816.35	1,058.00
Networking Equipments	1,593.98	166.66	-	1,760.64	158.80	81.18	-	1,520.66	1,435.18
Software	3,377.44	5,489.72	-	8,867.16	1,515.41	1,678.29	-	5,673.46	1,862.03
FURNITURES & FIXTURES :									
Xerox Machine	1.26	-	-	1.26	1.26	-	-	-	-
Telephone	2.21	-	-	2.21	1.46	0.16	-	0.59	0.75
Furniture & Fixtures	280.41	7.56	-	287.97	52.99	21.37	-	213.61	206.90
Electrical Fittings	623.90	0.77	-	624.67	72.79	43.96	-	507.92	551.11
Modems	4.63	-	-	4.63	4.63	-	-	-	-
Office Equipments	36.01	13.44	-	49.45	20.01	7.28	-	22.16	49.95
UPS	46.04	2.06	-	48.10	18.83	3.31	-	25.96	27.21
PROJECT ASSETS:									
Computer Machinery	1,986.19	67.74	-	2,053.93	587.43	401.03	-	1,065.48	1,398.76
Software	1,242.28	-	-	1,242.28	363.21	248.46	-	611.67	879.07
Electrical Fittings	1,608.34	-	-	1,608.34	480.12	321.67	-	801.78	1,128.22
Dot Matrix Printers	86.53	-	-	86.53	27.67	17.31	-	44.98	58.85
Networking Equipments	-	60.23	-	60.23	-	1.17	-	59.06	-
VEHICLES, ETC. :									
Vehicles	97.47	51.81	32.55	116.72	40.63	11.83	24.96	89.23	51.29
INTANGIBLE ASSETS:									
IPR / Know-how	468.87	-	-	468.87	468.87	-	-	468.87	-
TOTAL	14,315.83	5,883.56	32.55	20,166.84	4,403.35	3,118.79	24.96	12,669.66	9,912.48
PREVIOUS YEAR	12,461.19	1,859.69	5.04	14,315.83	1,983.43	2,421.18	1.26	9,912.48	10,477.76

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 7 : INVENTORIES :		
(Valued at cost or net realisable value and as certified by the Management)		
Stock in Trade	3,840.23	2,850.43
	3,840.23	2,850.43
SCHEDULE - 8 : SUNDRY DEBTORS :		
(Considered Good for which the company holds no security other than debtors personal security)		
Outstanding over six months		
Considered Good	15,403.51	9,716.04
Considered Doubtful	212.42	267.36
	15,615.93	9,983.40
Other debts	10,448.20	9,634.85
	26,064.13	19,618.25
Less: Provision for Doubtful debts	212.42	267.36
	25,851.71	19,350.89
SCHEDULE - 9 : CASH AND BANK BALANCES :		
Cash on Hand	5.76	9.63
Balance with Scheduled Bank		
In Current Accounts	163.02	86.25
In Unpaid Dividend Accounts	9.85	9.30
In Margin for LC / BG	1,067.12	435.43
In Fixed Deposit Accounts	227.33	253.59
Balance with Non-Scheduled Banks		
In Current Accounts	17.51	358.70
	1,490.59	1,152.90
SCHEDULE - 10 : OTHER CURRENT ASSETS :		
Telephone & Rent Deposits	50.24	185.73
EMD & Security Deposits	443.48	439.38
Other Current Assets	1,250.44	59.63
Prepaid Expenses	492.00	103.87
Advance Income Tax & TDS	338.03	187.72
	2,574.19	976.33
SCHEDULE - 11 : LOANS AND ADVANCES:		
(Considered Good For which the company holds no security other than personal security)		
Advances to Subsidiary Companies		
Advances recoverable in cash or in kind	1,574.96	4,922.67
Trade Advances	2,467.42	-
	4,042.38	4,922.67

Schedules Forming Part of the Consolidated Balance Sheet as at 31st March, 2010

(Rs. in Lakhs)

	As at 31-03-2010	As at 31-03-2009
SCHEDULE - 12 : LIABILITIES :		
Sundry Creditors	7,178.88	7,234.31
Other Liabilities	1,516.02	822.49
Advance received from customers	1,586.75	-
	10,281.65	8,056.80
SCHEDULE - 13: PROVISIONS :		
Provisions for Dividend	50.07	48.59
Provision for Dividend tax	16.77	8.26
Provision for Income Tax & Wealth Tax	315.35	103.36
Provision for Fringe Benefit Tax	0.99	10.11
	383.18	170.32
SCHEDULE -14 :DEFERED TAX LIABILITIES :		
As per last Balance Sheet	801.68	410.42
Adj : for the year from profit & loss account	412.27	391.26
	1,213.95	801.68

Schedules Forming Part of the Consolidated Profit and Loss Account for the year 31st, March 2010

(Rs. in Lakhs)

	Year ended 31-03-2010	Year ended 31-03-2010
SCHEDULE -15 : OTHER INCOMES :		
Interest received from Banks	17.72	183.25
Commissions & Other Incomes	76.05	58.45
Exchange Rate Difference Gain	35.28	779.81
Profit On Sale Of asset	2.91	-
	131.96	1,021.51
SCHEDULE -16 : INCREASE / DECREASE IN STOCKS :		
Opening Stock		
Stock in Trade	2,850.43	2,544.93
Closing Stock		
Stock in Trade	3,840.23	2,850.43
Increase in Stock	989.81	305.50

Schedules Forming Part of the Consolidated Profit and Loss Account for the year 31st, March 2010

(Rs. in Lakhs)

	Year ended 31-03-2010	Year ended 31-03-2009
SCHEDULE - 17 : SALARIES & STAFF WELFARE :		
Salaries, Wages & Bonus	2,022.96	1,296.69
Contribution to PF, ESI, etc	108.48	64.05
Incentive	0.30	5.73
Staff Welfare	23.08	18.73
Directors Remuneration	46.80	46.80
Gratuity	45.92	3.53
	2,247.54	1,435.53
SCHEDULE - 18 : ADMINISTRATION EXPENSES :		
Rent	97.28	73.73
Electricity	34.18	30.89
Travelling & Conveyance	153.59	140.48
Postage & Telephone	192.47	349.87
Repairs & Maintenance - Vehicles	4.48	2.48
Repairs & Maintenance- Others	10.23	11.81
Books & Periodicals	0.13	0.60
Product Certification Charges	195.97	-
Printing & Stationery	11.17	13.38
Training Expenses	24.66	6.56
Audit Fee	15.46	16.93
Donation	0.35	46.78
Sales Tax	-	27.05
Consultancy Charges	174.14	18.98
Insurance Premium	16.74	20.17
Legal Fees	4.50	2.40
Office Maintenance	35.52	29.97
Secretarial Expenses	24.07	49.29
Rates & Taxes	0.94	8.13
Carriage Expenses	39.49	13.94
Sundry Expenses	167.16	161.78
Bad Debts	5.63	158.97
Exchange Rate Difference Loss	49.83	5.06
Provision for Doubtful debts	149.97	270.47
	1,408.54	1,459.72
SCHEDULE - 19 : SELLING & DISTRIBUTIONS :		
Advertisement Expenses	2.99	15.21
Business Promotion Expenses	36.69	45.93
Commission, Discount, etc	41.28	85.95
	80.96	147.09

ACCOUNTING POLICIES AND NOTES:

SCHEDULE: 20 Notes on Accounts:

A. Significant Accounting Policies

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. PRINCIPLES OF CONSOLIDATION

The Company's consolidated financial statements include Gemini Communication Ltd and all its subsidiaries. All significant inter company transactions and balances have been eliminated in the consolidated statements. For the purpose of this consolidation, the following subsidiaries have been considered.

Name of the Company	% Holding by Holding Company	Date from which become subsidiary
Gemini Traze RFID Pvt. Ltd	100%	April 01,2006
Pointred Telecom Pvt. Ltd	100%	June 21,2006
Gemini Infotech Limited	100%	April 01,2008
PR Wireless Tech Limited	100%	November 25,2008
Veeras Infotech Pvt. Ltd	51%	June 20, 2008

3. REVENUE RECOGNITION

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

The revenues from Services and Installation Charges are recognized on completion of respective works contracts.

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.

4. USE OF ESTIMATES

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

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

5. FIXED ASSETS

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

6. DEPRECIATION

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

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

The software asset is depreciated at rates higher than that specified in schedule XIV based on useful life of assets, which is estimated 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

7. INVESTMENTS

There are no Investments.

8. INVENTORIES

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

9. FOREIGN CURRENCY TRANSACTIONS

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

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

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

10. PROVISION FOR TAXATION

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

11. LEASES

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

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

12. RETIREMENT BENEFITS

Provident Fund:

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employee's

salary. The Company has no further obligations under the plan beyond its monthly contributions. The contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due and there are no other obligations other than the contribution payable.

Gratuity:

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

13.BORROWING COSTS

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

14.CASH FLOW STATEMENT

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

15.EARNINGS PER SHARE

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

16.SEGMENT REPORTING

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

17.IMPAIRMENT OF ASSETS

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

18. PROVISION AND CONTINGENCIES

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

B. Notes on Accounts

1) A) SHARE WARRANT

Share Warrant 2007 - 08

Pending approval from Stock Exchange the Shares have not been allotted to Share Warrant holders and hence kept under Share warrant money received pending allotment.

Share Warrant 2009 – 10

On 25/06/2009 the company has allotted 97,18,000 Equity Warrants of Re. 1/- each at a premium of Rs.17/- each. The allotment money at 25% has been received. The equity warrant holders have the option to convert the warrants into same number of equity shares within 18 months from the date of allotment. During this year one share warrant holder has opted to apply and convert 29,62,900 equity shares at Re. 1 /- each with premium of Rs. 17/- each. The balance money collected pending allotment are kept under Share warrant 2009 -10.

B) SECURED LOANS

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

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

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

C) UNSECURED LOANS

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

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

2) DEFERRED TAX LIABILITY

The provision for deferred tax liability for the year ended March 31, 2010 has been made in accordance with Accounting Standard 22 on Accounting for Taxes on Income. The Deferred Tax Liability as at March 31, 2010 is on account of Depreciation of Rs.3515.59 Lakhs and the Deferred Tax Assets as at 31st March, 2010 is on account of timing difference on provision for gratuity of Rs.45.92 lakhs.

3) LEASE

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

The lease rentals paid during the year and the future lease obligations of HP EMI's for agreements in vogue as on March 31, 2010 are as follows:

(Rs. in lakhs)

Lease rentals paid (including HP EMI's)	31st March, 2010	31st March, 2009
Lease rentals paid during the year	6.13	9.92
Future lease obligations	As at 31st March, 2010	As at 31st March, 2009
Due within 1 year from the balance sheet date	NIL	5.40
Due between 1 and 5 years	NIL	NIL
Due after 5 years	NIL	NIL

4) RETIREMENT BENEFITS

During the year the Company has started contributing to Group Gratuity scheme with LIC of India to cover all eligible employees. As per the actuarial valuations as on 31st March 2010 and recognised in the financial statements in respect of employee benefit schemes as details furnished by LIC is given below: -

(Rs. In Lakhs.)

	PARTICULARS	Funded
(i)	Assumptions	%
	Discount Rate	8.00%
	Rate of Return on Plan Assets	8.00%
	Attrition rate	1 - 3%
	Salary Escalation	5.00%
(ii)	Table Showing Change in present value of obligation as on 31/03/2010	
	Present value of obligation as at beginning of the year	1.91
	Interest Cost	0.15
	Current Service Cost	4.26
	Benefit Paid	2.41
	Actuarial (gain) / Loss on obligations	41.64
	Present value of obligation as at end of the year	45.56

(iii)	Table Showing Change Fair value of Plan Assets as on 31/03/2010	
	Fair Value of Plan Assets at the beginning of the year	3.01
	Expected Return on Plan Assets	0.14
	Contributions	0.00
	Benefit Paid	2.41
	Actuarial gain / (loss) on Plan Assets	-
	Fair Value of Plan Assets at the end of the year	0.74
(iv)	Table Showing Fair value of Plan Assets	
	Fair Value of Plan Assets at the beginning of the year	3.01
	Actual Return on Plan Assets	0.14
	Contributions	0.00
	Benefit Paid	2.41
	Actuarial gain / (loss) on Plan Assets	0.00
	Fair Value of Plan Assets at the end of the year	0.74
	Funded status	44.82
	Excess of actual over estimated return on plan assets	NIL
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
(v)	Actuarial Gain /Loss recognized as on 31/03/2010	
	Actuarial (Gain) /Loss on obligation	41.64
	Actuarial (Gain) /Loss for the year – plan assets	NIL
	Actuarial (Gain) /Loss on obligations	41.64
	Actuarial (Gain) /Loss recognized in the year	41.64
(vi)	The amounts to be recognised in the balance sheet and statements of Profit and loss	
	Present value of obligation as at end of the year	45.56
	Fair Value of Plan Assets at the end of the year	0.74
	Funded status	44.82
	Net asset/ (liability) recognized in balance sheet	44.82
(vii)	The amounts to be recognised in statements of Profit and loss	
	Current Service Cost	4.26
	Interest Cost	0.15
	Net Actuarial (Gain) / Loss to be Recognised	0.14
	Expense Recognized in Profit & Loss A/c	41.64
		45.91

Investment details of plan assets:

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

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

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

5) MANAGERIAL REMUNERATION

REMUNERATION TO DIRECTORS:

(Rs. In Lakhs)

Nature of Remuneration	Chairman R.Ramkumar		Director R. Vijaykumar		Managing Directors B.Sreekrishna		Director B. Srinivasan	
	2009 - 10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Salary	12.00	12.00	12.00	11.99	12.00	11.99	10.80	10.80
Gratuity Provided	0.23	0.78	0.23	0.78	0.23	0.78	0.23	0.78
Contribution to PF and other funds	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Total	12.32	12.87	12.32	12.86	12.32	12.86	11.12	11.67

6) SEGMENT REPORTING

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

7) RELATED PARTY DISCLOSURE

TRANSACTIONS WITH RELATED PARTIES:

Key Management Personnel

- R. Vijay Kumar – Group Chairman
- B. Sreekrishna – Managing Director
- R. Ram Kumar – Chairman
- B. Srinivasan – Whole Time Director

Other Non – Executive Directors

- C.V. Bhaskar Up to 30/12/2009
- Eswaran Annamalai
- K. Hariharan
- L.Sathyanarayanan
- Hari Sethuraman From 30/12/2009

Name of the Key

Management Personnel	Relationship	Nature of Payment	Amount Rs. in lakhs	
			2009-10	2008-09
R Vijay Kumar	Director	Salary	12.00	11.99
R Ram Kumar	Chairman	Salary	12.00	12.00
B Sreekrishna	Managing Director	Salary	12.00	11.99
B. Srinivasan	Director	Salary	10.80	10.80
R Ram Kumar	Chairman	Lease Rent	2.00	2.00
R Ram Kumar	Chairman	Lease Advance Outstanding (as at year end)	30.00	32.00

- 8) Sundry Creditors outstanding Rs.7178.88 Lakhs as on 31st March 2010 represents the dues to creditors other than Micro enterprises and Small enterprises. There is no principal or interest due or unpaid their on to any supplier of micro, small and medium enterprises as at the year end.
- 9) The estimated amount of contracts remaining to be executed on account of Capital account as at 31st March 2010: Nil
- 10) There are no Impairment losses to be provided for in the books as on 31.03.2010.
- 11) Bank Guarantees outstanding as on 31.03.2010 is Rs.506.45 Lakhs (P.Y 1715.72 Lakhs)
- 12) Contingent Liabilities
- The revision demand for A.Y 2001 – 02 amounting to Rs.5.33 is pending for payment.
 - The company's Income tax appeal for Assessment Year 2002 – 03 was partially allowed in favor of the company by ITAT. For the balance demand of Rs.10.45 Lakhs the company has filed appeals before Honorable High Court of Madras. Against this, the company has paid a sum of Rs.4.00 Lakhs under protest. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
 - The Income Tax department has made an order for the Asst. Year 2006-07 demanding a sum of Rs.419.69 Lakhs which is stayed by the Honorable High Court of Madras. The tax demand is on account of disallowance of deduction u/s.80IC claimed by the company. Considering the Company's chance of success in appeal the disputed amount is not provided for in the books of accounts.
 - Assessment Year 2007 – 08 the A.O made an order u/s 143(1)(a) demanding Rs. 62.07 lakhs- for disallowance of TDS certificates for which the company has filed rectification petition before the A.O. Considering the Company's chance of success the Amount as not been provided for.
 - A.O made an oder, for the Assessment Year 2008 -09 u/s 143(1)(a) demanding a sum of Rs.344.31 lakhs ,which was disputed before High Court of Chennai and as per the directions of High Court the company has preferred representation before the A.O for rectification / modification. Considering the Company's chance of success in the appeal the disputed amount is not provided for the books of accounts.

f. The Central Excise department has made an order demanding a sum of Rs.56.80 Lakhs for the year 2000-01 against which the company has filed an appeal before CCE (A). Considering the company's chance of success in appeal the disputed amount is not provided for in the books of accounts.

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

14)Obtaining of Confirmation of balances from Sundry Debtors, Sundry Creditors, Loans & Advances, Deposits & Other Current Assets are under progress. Considering the huge volume of Government Departments outstanding not being confirmed by the respective departments, the confirmations and reconciliation of balances as on 31st March, 2010 is still in progress.

15)In the opinion of the Management, all current assets including Sundry Debtors, Loans & Advances, Deposits and Other Current Assets are realizable in the ordinary course of the business at the values stated. On a conservative basis the management has provided for bad and doubtful debts on receivables overdue for more than 3 years amounting to Rs.149.97 Lakhs for the year. Against provision for bad and doubtful debts outstanding as on 31.03.09 a sum of Rs. 204.90 lakhs has been collected. The balance provision for bad and doubtful debts outstanding as on 31.03.10 is Rs. 212.42 lakhs.

16)Earnings Per Share

Particulars	As at 31st March 2010	As at 31st March 2009
Profit available to Equity Share holders used as Numerator - (A) (Rs.)	32,62,68,041	10,17,16,931
Number of Shares outstanding	100,142,900	9,71,80,000
Weighted Average Number of shares outstanding - (B)	9,76,34,582	9,71,80,000
Effect of dilution on issue of share warrants and 6% Convertible Bonds - (C)	4,06,03,400	1,30,20,680
Weighted Average No. of Equity Shares including potential shares - (D)	13,82,37,982	11,02,00,680
Adjusted PAT for Dilution of Convertible Bonds (E)	36,27,62,892	13,20,31,532
Earnings per share (Basic) - (A / B) In Rs.	3.34	1.05
Earnings per share (Diluted) - (E / D) In Rs.	2.62	1.20

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

- Issue date 17.07.2007 and maturity date 18.07.2012
- Conversion price is Rs. 102.62/-(of Re 1/- each) (subject to adjustment to conversion price) with a fixed rate of exchange of conversion of Rs.54.87 per € 1.As per this the conversion price has been reset to 83.36 (of Re 1/- each).
- Conversion price is subject to suitable adjustment for the issue of bonus, subdivision and capitalization of reserves etc.

The maximum adjustment to conversion price is subject to SEBI approved minimum conversion price, i.e., floor price of Rs. 416.80 per share(of Rs.10 each).

- The bonds can be converted at the option of the company at any time on or after 3 years from the issue date.
- The bond holders have the option to redeem the bonds, subject to other conditions as under

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

- Up to the year ended 31.03.2010, the bond holders have not exercised conversion option or not opted for early redemption and the company has met the interest commitment till date.

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

(Rs in Lakhs)

Name of the Bank	Outstanding Balance and Maximum amount held at any point of time during this year as at 31st March,2010	Outstanding Balance and Maximum amount held at any point of time during this year as at 31st March,2009
RBS Coutts Bank Von Ernst Ltd, Singapore	7.23	331.48
First Commercial Bank Company Limited, Taiwan	10.27	5.82
RBS Coutts Bank Von Ernst Ltd, Singapore	0.24	21.40

None of the Directors are interested in the above banks.

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

Statement of Consolidated Cash Flow for the year ended March 31, 2010

(Rs. in Lakhs)

	Year ended 31-03-2010	Year ended 31-03-2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before tax	3,984.05	1,522.35
Adjustment for Depreciation	3,118.79	2,421.18
Interest Paid	2,481.51	2,523.23
Interest Received	(17.72)	(183.25)
(Profit) / Loss on Sale of Fixed Assets	(2.91)	(0.04)
Exchange differences on translation of foreign currency cash and cash equivalents	-	(58.32)
Operating Profit before working Capital Changes	9,563.72	6,225.15
Changes in Current Assets & Current Liabilities		
Adjustments for Trade & other receivables		
Decrease (increase) in sundry debtors	(6,500.82)	(5,892.31)
Decrease (increase) in inventories	(989.81)	(404.52)
Decrease (increase) in Other current assets	(1,597.87)	(415.44)
Decrease (increase) in loans and advances	880.30	(4,764.51)
Increase (Decrease) in current liabilities	2,224.85	5,185.00
Cash Generated from / used in Operating Activities	3,580.39	(66.62)
Direct Taxes Paid	(106.23)	(520.36)
Net Cash Provided by Operating Activities	3,474.16	(586.98)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,883.56)	(1,748.26)
Proceeds from Sale of Fixed Assets	10.50	3.83
Purchase of Shares of Subsidiary Companies	-	(128.18)
Interest Received	17.72	183.25
	(5,855.34)	(1,689.37)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (Decrease in Loans) net of repayments	4,409.42	808.90
Proceeds from Issue of Share Warrants	839.55	-
Interest Paid	(2,481.51)	(2,523.23)
Dividend Paid	(48.59)	(154.77)
	2,718.87	(1,869.10)
D EXCHANGE DIFFERENCE		
Exchange difference on translation of foreign currency cash and cash equivalents	-	58.32
Total increase (decrease) in cash and equivalents during the year (a + b + c + d)	337.69	(4,087.13)
Cash and equivalents at the beginning of the year	1,152.90	5,240.03
Cash and equivalents at the end of the year	1,490.59	1,152.90

As per Our Report of even date
 For CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
 Partner

Place : Chennai

Date :06-09-2010

R. RAMKUMAR
 Chairman

R. VIJAY KUMAR
 Director

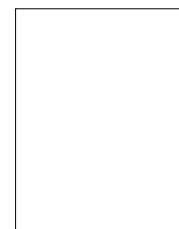
B.SREEKRISHNA
 Managing Director

J.CHANDRAMOULI
 Company Secretary

PROXY FORM

I/ We of in the district of.....
being a Member/Members of the above-named Company, hereby appoint.....
..... of.....in the district of
..... or failing him of in
the district of as my/our proxy to vote for me/us and on my/our behalf at the 15th Annual General
Meeting of the Shareholders of the Company to be held on Thursday, the 30th September 2010 at 3.15 pm and at any
adjournment thereof.

Signed thisday of2010.



Note: The Companies Act, 1956 lays down that an instrument appointing proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting. The Proxy need not be a member of the Company.

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the meeting hall

Register Folio No./Client ID No.:.....

Name of the Shareholder:.....

Name of the Proxy:.....

No. of shares held:.....

I hereby record my presence at the 15th Annual General Meeting of the Company held on Thursday, the 30th September 2010, at 3.15 p.m "The Auditorium" Russian Centre of Science & Culture, No. 74 Kasturi Ranga Road, Alwarpet, Chennai-600 018.

Notes :

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Registered Office:

GEMINI COMMUNICATION LTD
I Dr.Ranga Road
Alwarpet, Chennai 600 018
Phone No .+91-044-2466 0570/571
Fax No.91-44-2499 5062

BRANCHES**Chennai**

M/s.GEMINI COMMUNICATION LTD
#10, Rama Rao Road, Mylapore,
Chennai - 600 004
Phone : 044 - 2499 6422

Coimbatore

M/s.GEMINI COMMUNICATION LTD
1996/5, Trichy Road, M R Garden,
Coimbatore – 641 005.\
Phone : 0422 - 232 1015

Bangalore

M/s.GEMINI COMMUNICATION LTD
18/11 B Roopena Agrahara
Begur Hobli, Hosur Main Road
Bangalore 560 068
Phone : +91-80-2572 1902
Fax : +91-80-2572 1909

Hyderabad

M/s.GEMINI COMMUNICATION LTD
#302, Bhanjara Shanthi Apts,
Street No 5, West Marredpally,
Secunderbad - 500 026
Phone : 040 - 4013 1987

Cochin

M/s.GEMINI COMMUNICATION LTD
Door No.39/6194 A, Alapatt Cross Road
Perumanoor, Cochin 682 015
Phone No 0484 – 6519980

Mumbai

M/s.GEMINI COMMUNICATION LTD
Plot.2/1, Asha Sfurti, 1st Floor
Chandrodaya Co-Op Housing Society
Swastik Park, Chembur
Mumbai – 400 071.
Phone.No + 91 – 22 -2528 3466

New Delhi

M/s.GEMINI COMMUNICATION LTD
234 A, Ground Floor Above Oriental Bank of Commerce
Chandni Plaza, Sant Nagar
Raja Dheer Sain Marg
East of Kailash, New Delhi 110 065
Phone No +91-11-41635185/86

SUBSIDIARIES IN INDIA**M/S.POINTRED TELECOM PRIVATE LTD,**

18/11 B, Roopena Agrahara, Begur Hobli, Hosur Main Road, Bangalore 560 068
Phone No.+91-80-2572 4853/54, Fax No.+91-80-2572 4856

M/S.GEMINI TRAZE RFID PRIVATE LIMITED

I Dr.Ranga Road, Alwarpet, Chennai 600 018
Phone No .+91-044-2466 0570/571, Fax No.91-44-2499 5062

M/S.VEERAS INFOTEK PRIVATE LIMITED

5B , Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar,Chennai - 600 017
Phone No.+91-44-4221 0000, Fax No.+91-44-2814 4986

Our Presence

(Within India)



Gemini Communication Ltd.

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