

ANNUAL REPORT 2007-08



Bringing Together People & Technology

GENESYS
GENESYS INTERNATIONAL CORPORATION LIMITED





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→ ABOUT GENESYS

- Genesys is today one of India's fastest growing geospatial services and content providers.
- The Company caters to the needs of consumer mapping, navigation, internet portals as well as infrastructure players including state and local governments.
- Talent eco system within Genesys includes urban planners, cartographers, remote sensing scientists, photogrammetrists, civil engineers, field survey personnel and even rocket scientists, giving the company a unique and formidable set of skills in all kinds of land base work.
- With 1000 plus professionals currently, the Company caters to its clients spread across the globe.
- Genesys also embarked on one of the largest all-India mapping initiatives this year, covering most large cities of India, thus encompassing nearly half the entire country's urban population. Genesys will also cover more than half a million kilometers of all major Indian highways.
- The Company has ISO 9001:2000 certified production facilities in India and UK, and tech support and sales offices in North America
- Today Genesys is at the forefront of mapping technologies managing the earth's resources and surfaces at a time when it has become one of the biggest challenges facing the 21st century in an increasingly complex and ever changing world.





Sajid Malik
Managing Director

Dear Shareholders,

Our efforts of many years are beginning to pay off and are the validation of the course we have been following.

Large scale initiatives on the consumer mapping space augur well for the future of Geographical Information Systems Industry as well as will give fillip to the Location Based Services Industry.

We feel very confident that many new markets and forms of e-commerce will develop with the advent of geo data content and the proliferation of GPS enabled devices.

So the confluence now between mobile devices and geographic content will herald an entirely new dimension to mobile commerce and local search.

Of particular note is the Nokia entry into the navigation space through the purchase of Navteq, the world leader in street level data and navigable maps.

Valued at 8 billion USD, this deal is an important bench mark to the future of geo data content. Especially in today's mobile world. And in Web 2.0.

This combination of two global leaders, one in the mobile device space and the other of geo data content will drive many new markets in this industry.



It will be a matter of pride to you, dear shareholders, that your Company has played a key role in the development of navigable map content for India. And that leading mobile devices will now be carrying the content your Company helped create.



→ MANAGING DIRECTOR'S MESSAGE

Just as e-bay and Amazon revolutioned business models, we believe the day is not far when the availability of geo data and more economical GPS will fuel location based services which will offer new choices of e-commerce to people at large.

The concept of "just in time" may take an entirely different nuance.

Entry of even richer multi media devices and cell phones like the I Phone with GPS devices will dramatically scale the market for map based content and services.

It will be a matter of pride to you, dear shareholders, that your Company has played a key role

in the development of navigable map content for India. And that leading mobile devices will now be carrying the content your Company helped create.

Over the next few years we intend to become one of the leading content creators using cutting edge technology. Over the course of the next year or so, the Company intends to make rapid strides in this direction.

Image Intelligence will remain a key area of focus for the Company.

As such, the broader understanding of what GIS can do, thanks to the consumer interest in the same, may also

 **Image Intelligence will remain a key area of focus for the Company.** 

spur a larger portion of this technology in the enterprise space. More like the tail wagging the dog eventually.

In this context, the role of GIS and mapping in aiding India's infrastructure efforts can not be underrated including in the areas of e-governance.

We are fortunately seeing the beginnings of some serious interest in the same in the Indian markets and we hope that this traction may make the Indian market itself one of the most buoyant markets for GIS services in the world.

Indian government policy and decision makers are now coming around to see the advantages of using GIS to spur the infrastructure development in the country.

We believe that Companies such as ours possess valuable experience and expertise to aid our country's economic development.

In a Mckinsey report in September 2001 (India : The growth imperative - Understanding the barriers to rapid growth and Employment creation), an analysis was made as to how land market

distortions account for close to 1.3 % loss in GDP .

Genesys as a Company specializes in all kinds of

landbase technologies. From aerial / satellite imagery acquisition, photogrammetry, remote sensing services, LIDAR, survey to complete land information systems.

Increasingly the ability to design and build the earth's surfaces will determine the sustainability of our fragile environment and growth of civilization.

Our efforts in the international markets have met with large success. Of considerable pride to us has been the inclusion of the United Nations (Food and

Agricultural Organisation) as our client wherein we are conducting a very challenging and important project for them in Somalia.

The world's largest mapping companies continue to partner with us, giving us increasing comfort in our capabilities and business prospects.

We will continue, as I said last year in my letter to you, to dig deeper into what we do as well as grow laterally.

 Indian government policy and decision makers are now coming around to see the advantages of using GIS to spur the infrastructure development in the country. 

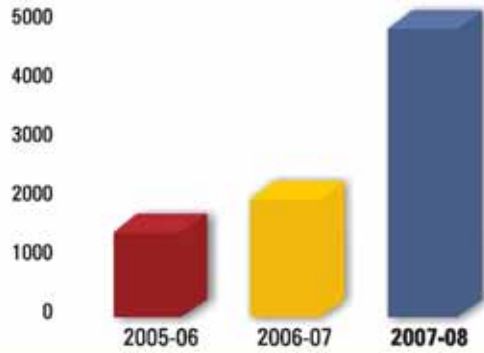
 Our efforts in the international markets have met with large success. 

→ KEY FIGURES

Revenue (in Rs. Lacs)

Year to 31st March 2008	4753
Year to 31st March 2007	1933

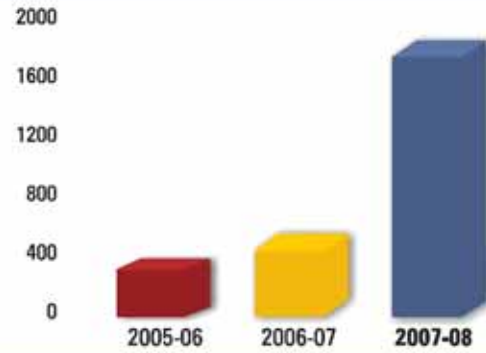
+146%



Earnings before Tax, Depreciation & Amortisation (in Rs. Lacs)

Year to 31st March 2008	1740
Year to 31st March 2007	385

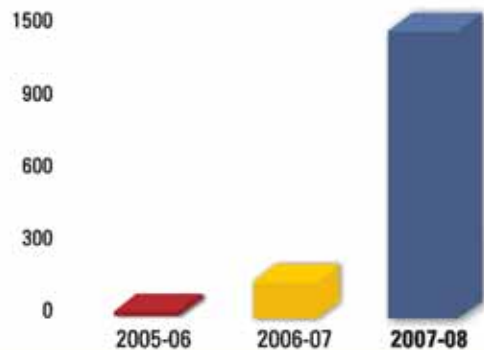
+352%



Earnings after Tax (in Rs. Lacs)

Year to 31st March 2008	1456
Year to 31st March 2007	206

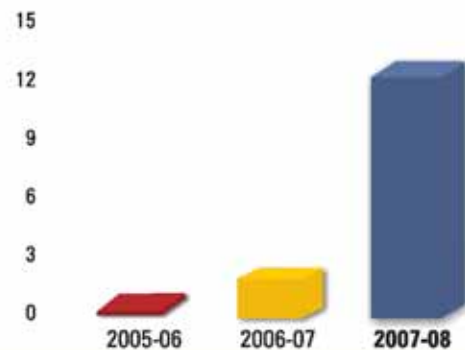
+605%



Basic EPS (in Rupees)

As on 31st March 2008	12.6
As on 31st March 2007	1.6

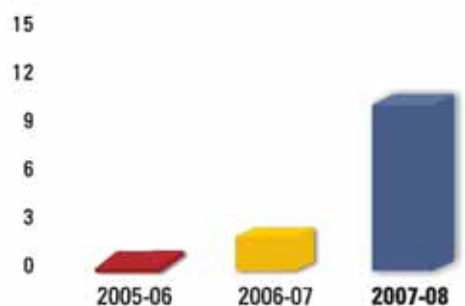
+676%



Diluted EPS (in Rupees)

As on 31st March 2008	10.5
As on 31st March 2007	1.3

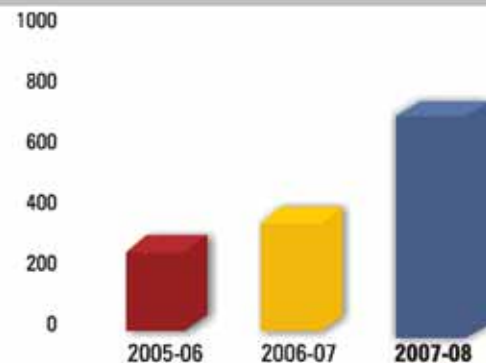
+720%



No. of Employees

As on 31st March 2008	773
As on 31st March 2007	348

+122%





OUR CAPABILITIES

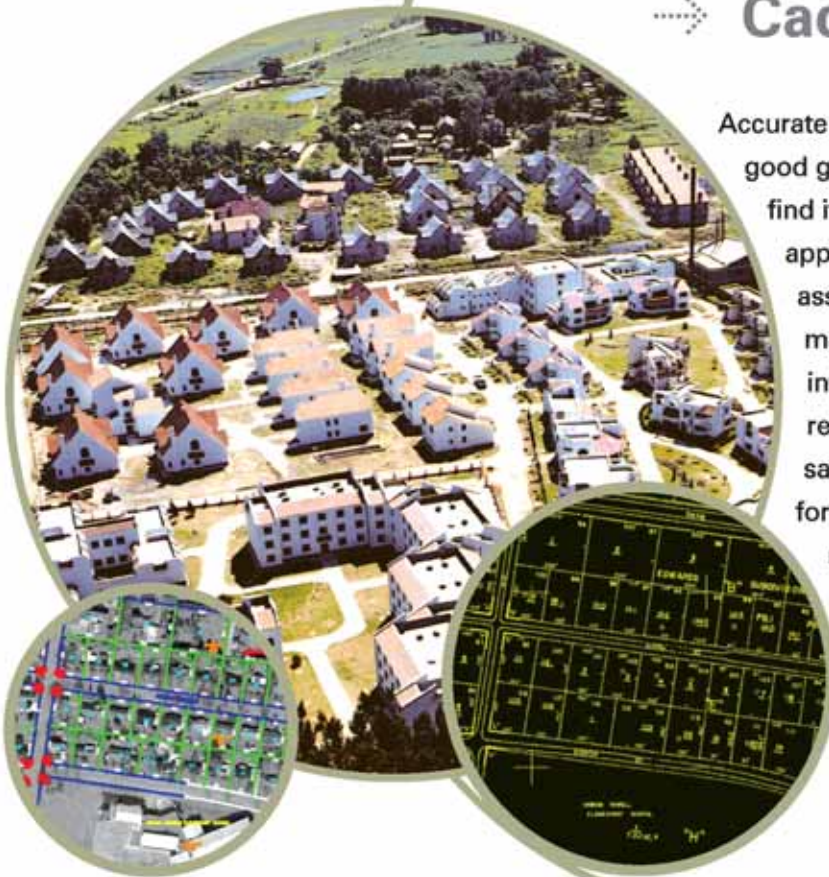
Genesys' geospatial capabilities touch several important sectors of the global economy. The power of geo data content enhanced by advancements in technology, such as advanced satellites, new LIDAR and camera systems , proliferation of GPS and mobile devices, compression technologies and the huge embracement of the internet for geo spatial content, heralds a new era for geo data content and Geographical information systems in the 21st century.

Some of the areas that Genesys is involved with:



Cadastral mapping

Accurate cadastral maps are a cornerstone for good governance. Governments worldwide find it an invaluable tool for various applications including improving assessment of property taxes. Cadastral mapping involves capturing property information from property deeds, revenue maps and overlaying the same on satellite and aerial imagery, for accuracy. Till date Genesys has mapped several countries, capturing tens of millions of parcels, making it one of the leading parcel mapping players in the world.



→ Navigation maps

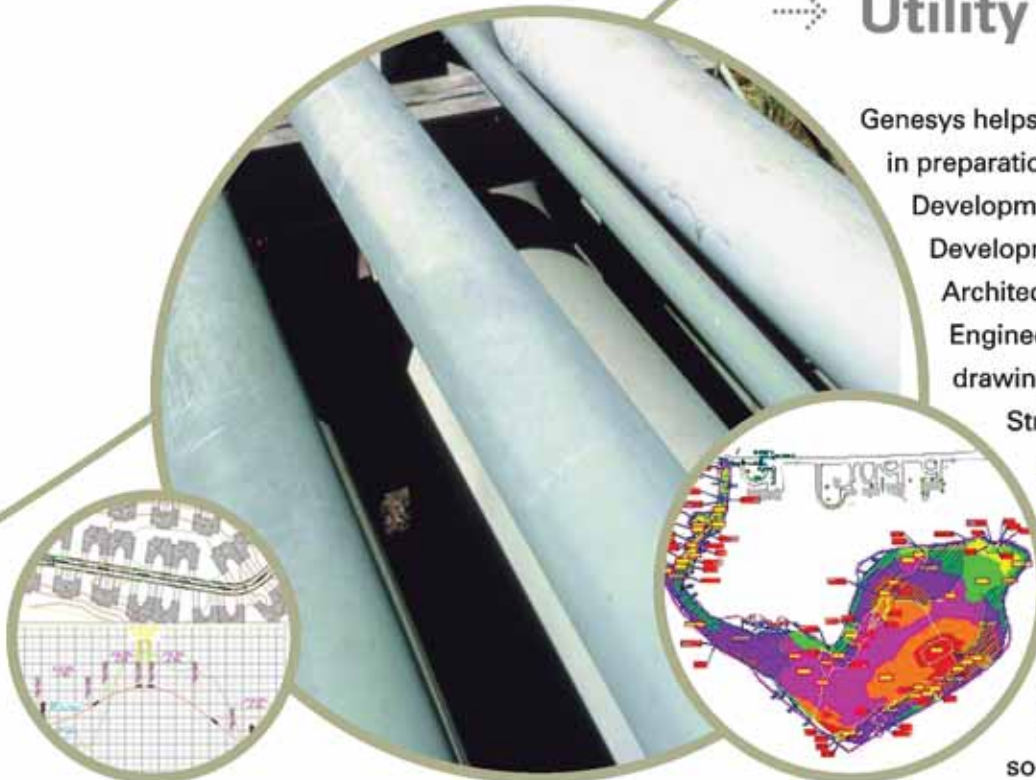
Indash and mobile navigation is one of the fastest growing mapping markets in the world. Genesys works with world leaders to help create navigable content. It is estimated that over the next 3-5 years nearly half of all mobile devices would be GPS equipped, making accurate, updated map content a very big need.



→ Utility services

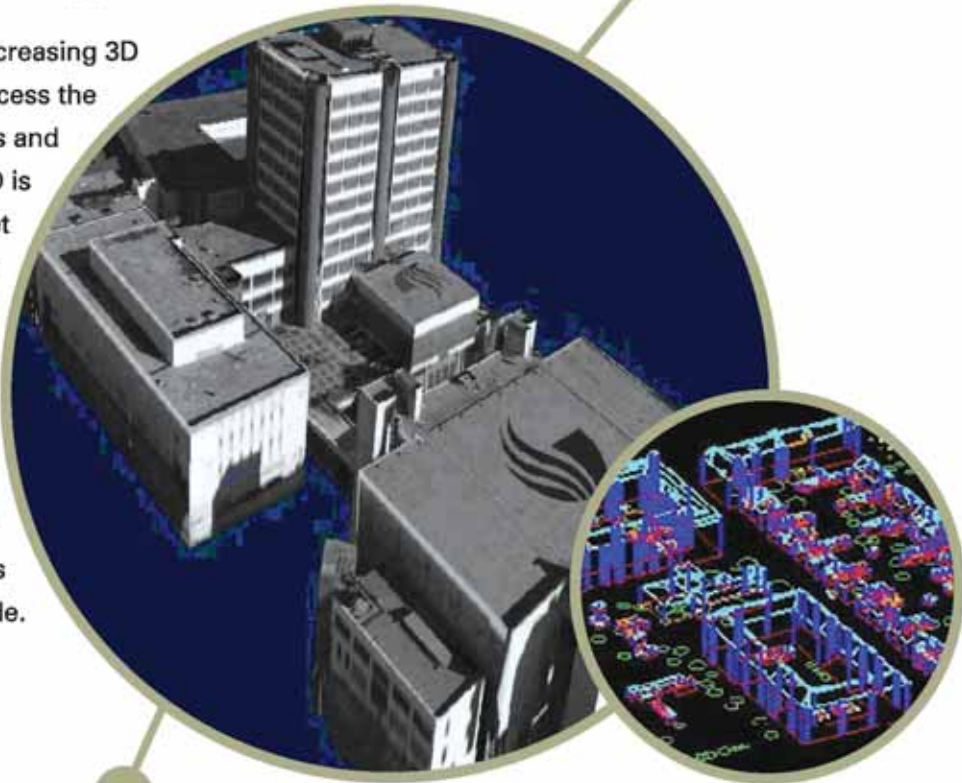
Genesys helps governments in preparation of City Development plans, Urban Development plans, Civil / Architectural and Structural Engineering design, drawings and detailing.

Strong technical expertise marks its imprints in designing of utilities such as sanitary, storm drainage, water lines, gas lines, and so on.



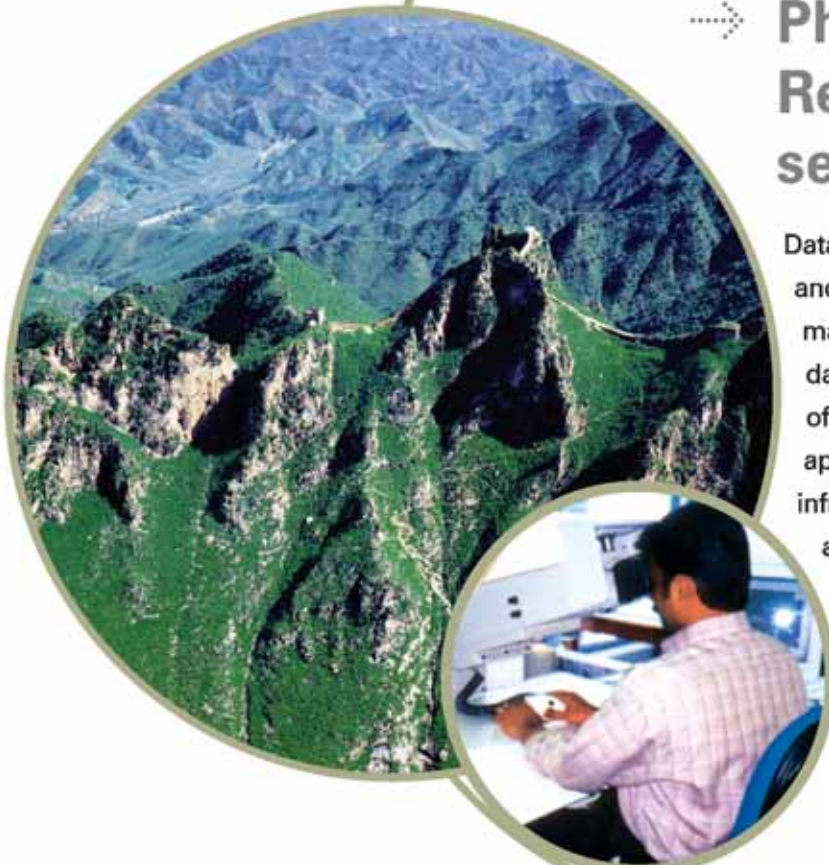
→ 3D mapping

In web 2.0 and in an increasing 3D world, the ability to access the world's surfaces and structures in 3D is becoming a market necessity. Genesys works with one of the world's leading content and technology companies in this space and has created 3D buildings for hundreds of cities worldwide.



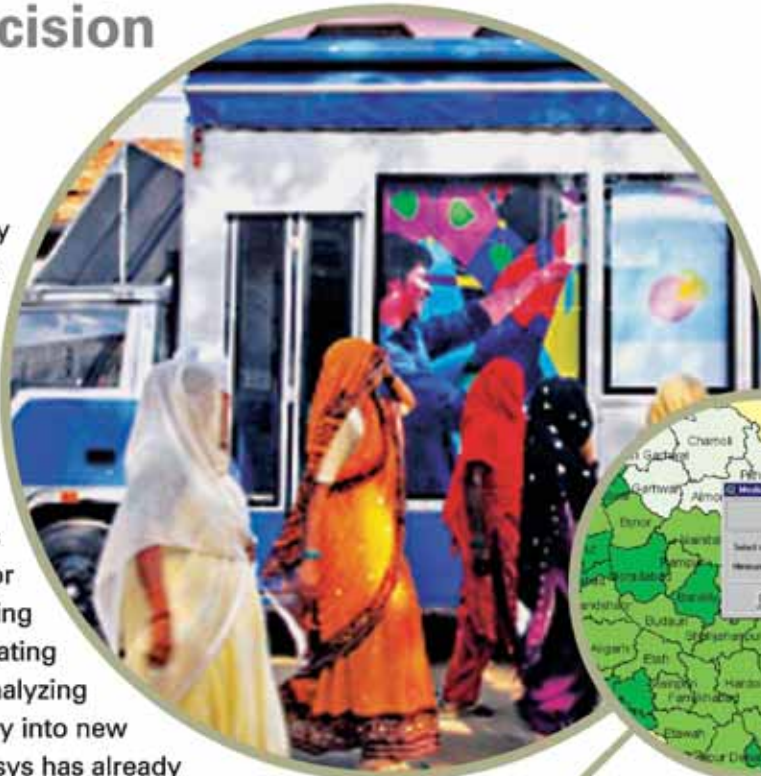
→ Photogrammetry / Remote sensing services

Data acquisition from aerial imagery and satellites, and the process of making it into high precision map data, interpretation and manipulation of this data to meet a host of applications for defence, infrastructure and government is a very vital tool available.



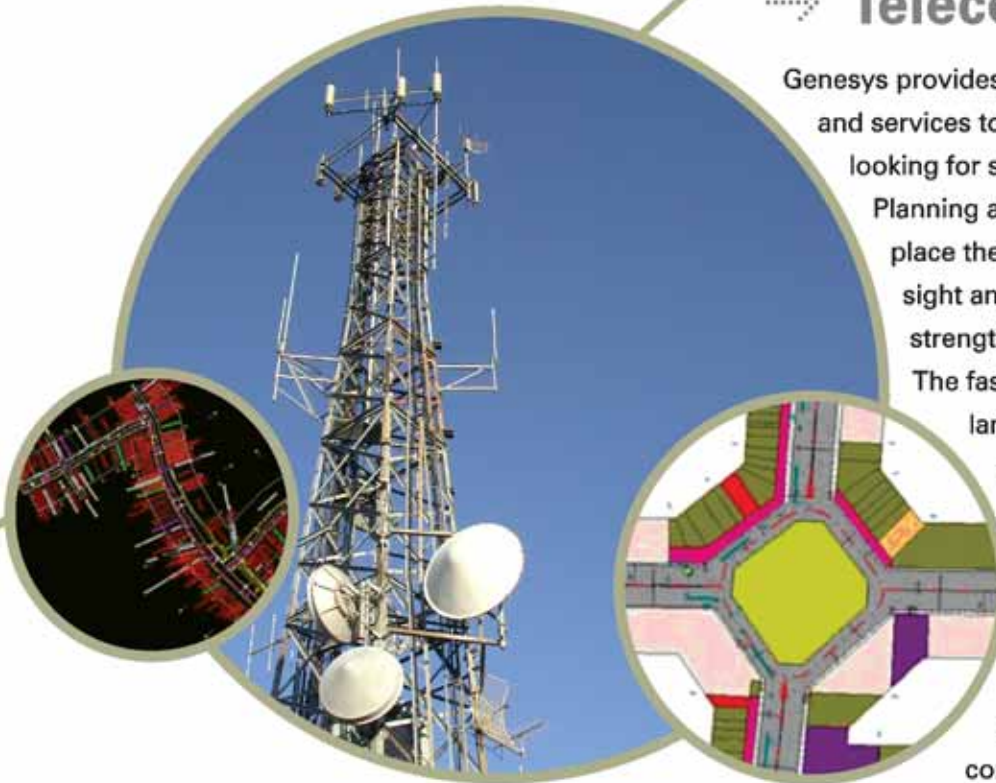
→ Market analysis and sales decision support system

Genesys' proprietary product GenCompass is an innovative decision support system designed to ease out the tasks related to market analysis, route design and data updating. GenCompass is a very powerful tool for planning of rural marketing campaigns, creating optimized route plans, analyzing market potential for entry into new service areas. Genesys has already created extensive database for more than 21,000 villages across all major states in India.



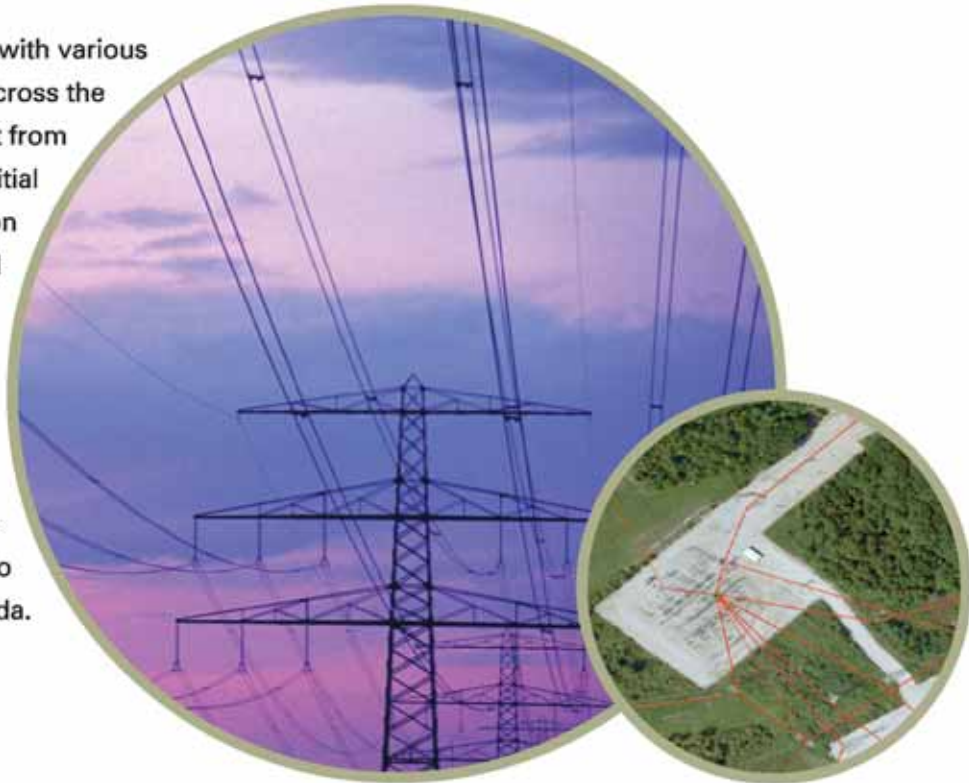
→ Telecom

Genesys provides Geospatial solutions and services to telecom companies looking for solutions on RF Planning and site acquisition to place their base stations, line of sight analysis and signal strength corridor mapping. The fast changing urban landscape and Genesys' ability to provide solutions based on its frequently updated geospatial data gives our clients a unique advantage over their competition.



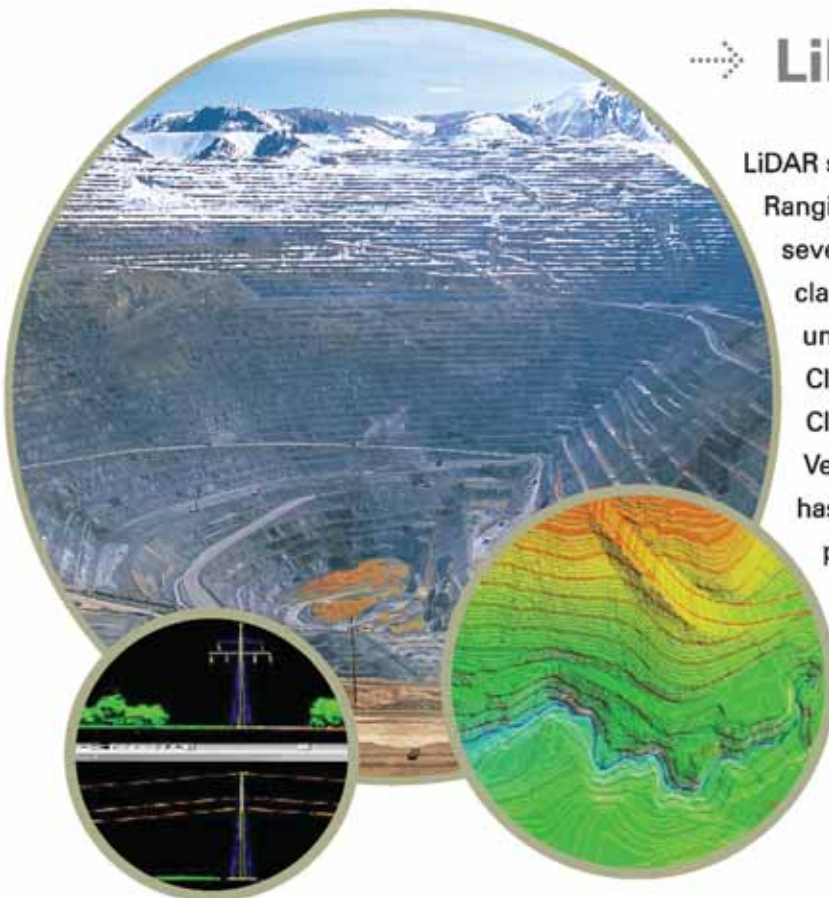
→ Power

Genesys has worked with various power companies across the globe to create right from corridor maps for initial planning of transmission networks, to GIS based Asset Mapping/Facilities Management services. Currently, Genesys is in the process of capturing the power transmission network for the entire US, Mexico and Canada.



→ LiDAR

LiDAR stands for Light Detection and Ranging. Genesys has performed several thousand sq. kms of LiDAR classification projects. The typical work undertaken is Ground Point Classification, Building and Power Line Classification and Vectorization and Vegetation Classification. Genesys also has the capability to produce terrain products such as TIN, Surface Models, Contours, Intensity Images etc from LiDAR data.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sajid Malik
Managing Director
Mrs. Saroja Malik
Whole-time Director
Mr. Sohel Malik
Executive Director
Mr. Hemant Majethia
Independent Director
Mr. Ganapathy Vishwanathan
Independent Director
Mr. Ganesh Acharya
Independent Director

COMPANY SECRETARY

Mr. Pankaj Bahal

AUDITORS

Contractor, Nayak & Kishnadwala,
Chartered Accountants

REGISTERED OFFICE

73-A, SDF-III,
SEEPZ, Andheri (East),
Mumbai 400 096
Telephone: 91-22-28290303
Fascimile: 91-22-28290603
Web site: www.igenesys.com

BANKERS

State Bank of India
HDFC Bank Ltd
Corporation Bank

DEVELOPMENT CENTRES

Prestige Terminus I,
3rd & 4th Floor,
Airport Exit Road
Bangalore-560 017

73, 75 & 77, SDF – III,
SEEPZ,
Andheri (East),
Mumbai – 400 096

108, Corporate Park Drive,
Suite 211, White Plains,
New York 10604 USA

Temple Court Business Centre,
107-109 Oxford Road,
Cowley, Oxford OX4 2ER, UK

SUBSIDIARIES

Genesys International (UK) Ltd.
470a Green Lanes
Palmers Green
London N13 5PA, UK

Aerial Surveyor Ltd.
470a Green Lanes
Palmers Green
London N13 5PA, UK

ladya Systech Limited
G-3, Bhaveshwar Complex,
Vidyavihar (West)
Mumbai - 400 086

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Saki-Vihar Road,
Saki-Naka, Andheri (East), Mumbai 400 072.
Telephone: 91-22-28473474, Fascimile: 91-22-28475207,
Email: bigshare@bom7.vsnl.net.in

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 **NOTICE**

Notice is hereby given that the Twenty Sixth Annual General Meeting of Genesys International Corporation Limited will be held on Monday, September 29, 2008 at 2.30 p.m. at Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai-400 059 to transact the following Ordinary business:

- 1) To receive, consider and adopt the Audited Profit and Loss account for the year ended March 31, 2008 and the Audited Balance Sheet as at that date and Report of Directors' and Auditors' thereon.
- 2) To declare dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. Ganapathy Vishwanathan, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Ganesh Acharya, who retires by rotation and being eligible offers, himself for re-appointment.
- 5) To consider and if thought fit, to pass with or without modifications, the following resolution as **Ordinary Resolution:**

Ordinary Resolution:

"RESOLVED THAT M/s Contractor, Nayak & Kishnadwala, Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and hereby re-appointed as the Auditors of the Company, to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

**By Order of the Board of Directors
For GENESYS INTERNATIONAL CORPORATION LTD**

Place: Mumbai
Dated: August 18, 2008

PANKAJ BAHAL
COMPANY SECRETARY

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE 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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A proxy may not vote except on poll.
3. Only bonafide Members of the Company, whose names appear on the Register of Members / Proxy Holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the Meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 26, 2008 till Monday, September 29, 2008 (both days inclusive) for the purpose of payment of dividend.
5. Dividend on Equity Shares as recommended by the Board of Directors for the year ended March 31, 2008, when declared at the Meeting, shall be paid on or before October 27, 2008:
 - i) To those Members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged with Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company on or before September 25, 2008
 - ii) In respect of Shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of September 26, 2008.

6. Members who hold Equity Shares in the dematerialised form and want to change / correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company or the Registrar. Members are also requested to give the MICR Code of their bank to the Depository Participants. The Company shall not entertain direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, Registrar is obliged to use only the data provided by the Depositories.
7. Members holding Equity Shares in physical form are advised to submit particulars of their bank account i.e. name and address of the branch of the bank, MICR Code of the branch, type of account and account number latest by September 25, 2008, to our Registrar and Share Transfer Agent.
8. Members seeking any information or clarification on the Annual Accounts of the Company for the year ended March 31, 2008 are requested to send in queries in writing to the Company, at least 5 days before the date of the Meeting, so that the information required by them may be made available at the Meeting.
9. Members are requested to:
- Notify the change in address, if any, immediately to the Company's Registrar and Share Transfer Agent. (In case of Shares held in physical mode):

M/s. Bigshare Service Private Limited
(Unit: Genesys International Corporation Limited)
E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai-400 072

Members having Shares in electronic form may inform the same to their Depository Participants.
 - Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - Quote their Regd. Folio Number / DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
10. Pursuant to the provisions of Section 109A of the Companies Act, 1956 every member or joint holder(s) may nominate in a prescribed manner, a person to whom all the rights in the Equity Shares shall vest in the event of the death of the sole holder or all the joint holders. Shareholders holding shares in physical form and desirous of making nomination are requested to send their requests in Form No. 2B (which shall be made available on request) to the Registrar and Share Transfer Agents of the Company.

Members holding Shares in electronic form may contact their respective depository participants for availing the said facility.
11. Corporate Members intending to send their Authorised Representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.
12. The brief profile of the Directors proposed to be re-appointed is given in the Corporate Governance section of the Annual Report.
13. Non-Resident Indian Shareholders are requested to inform the Company immediately:
- The change in residential status on return to India for permanent settlement.
 - The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.

**By Order of the Board of Directors
For GENESYS INTERNATIONAL CORPORATION LTD**

Place: Mumbai
Dated: August 18, 2008

PANKAJ BAHAL
COMPANY SECRETARY

→ DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Annual Report with Audited Statement of Accounts for the year ended March 31, 2008.

Financial Highlights

Key aspects of your Company's financial performance (standalone) for the year ended March 31, 2008 are tabulated below:

Particulars	(Rs. in lakhs)	
	2008	2007
Revenue from Operations	4752.81	1932.65
Operating Profit before Depreciation, Amortization and tax	1739.57	385.00
Less: Depreciation and amortization	219.71	166.13
Profit before tax	1519.86	218.87
Less: Current Tax	51.00	–
Less: Fringe Benefit Tax	12.69	12.49
Less: Tax prov. for earlier years	0.30	–
Profit after tax	1455.87	206.38
Add : Surplus Brought Forward	1007.36	1493.24
Less: Appropriations		
Proposed Dividend on Equity Shares	298.48	–
Corporate Tax on Proposed Dividend	50.72	–
Transfer to General Reserve	140.00	10.00
Less: Adjustment pursuant to the Scheme of Demerger	–	682.26
Balance carried to Balance Sheet	1974.03	1007.36

Dividend

Your Directors have recommended a dividend of Rs. 2/- per Equity Share of Rs. 10/- each to be appropriated from the profits of the year 2007-2008, subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting. The Dividend shall be paid in compliance with the applicable provisions / regulations.

During the year 2007 – 2008, unclaimed dividend of Rs.11,754/- was transferred to Investor Education and

Protection Fund in accordance with the provisions of Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

Business Review and Future Outlook

During the year under the review, the performance of your Company has been remarkable. Current scenario in GIS business is witnessing increased demand and the Company expects to continue to grow at impressive pace for the coming

years. Your Company intends to increase its presence in local market and at the same time continue to serve key customers in US and Europe and other world markets.

Management Discussion and Analysis

The Management Discussion and Analysis on Company's performance – industry trends and other material changes with regard to the Company and its subsidiaries, wherever applicable, are presented on pages 23 through 26 of this Annual Report.

Subsidiary Companies

During the year under review, your Company acquired 100% Equity stake in M/s Iadya Systech Limited, which shall be helpful in pursuing further expansion plans of the Company.

As required under Section 212 of the Companies Act, 1956, the subsidiaries' audited statements of accounts for the year ended March 31, 2008 are attached to the Balance Sheet.

A statement pursuant to Section 212 containing the details of subsidiaries of the Company forms a part of this Annual Report.

Consolidated Financial Statements

As stipulated under Clause 32 of the Listing Agreement executed with the Stock Exchanges, the attached consolidated financial statements have been prepared in accordance with the provisions of Accounting Standard AS-21.

Directors

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ganapathy Vishwanathan and Mr. Ganesh Acharya, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief profile of the abovesaid Directors proposed for re-appointment, nature of their expertise in specific functional areas, Committee Membership and other Directorship, as stipulated under Clause 49 of the Listing Agreement executed with the Stock Exchanges, are given in the section on Corporate Governance in the Annual Report.

Auditors

The Auditors, M/s Contractor, Nayak & Kishnadwala, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept Office, if re-appointed. The proposal for their re-appointment is included in the Notice for Annual General Meeting send herewith.

The Notes to Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further clarification.

Internal Controls

Your Company has well defined internal control system to ensure efficiency of operations, cost management, ensuring strict compliances of all applicable laws, adherence to policies and guidelines. The internal control systems are regularly reviewed through internal audit mechanism.

Fixed Deposits

Your Company has not accepted any Fixed Deposits. Hence, there is no outstanding amount as on the Balance Sheet date.

Particulars of employees and other additional information

Pursuant to the Rules and Forms read with Section 219 of the Companies Act, 1956, the particulars of employees as required by Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 have not been provided. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are set out in Annexure 'A' to this Report.

Corporate Governance

The governance practices of your Company are described separately in pages 7 through 21 of this Annual Report. Your Company has obtained a Certificate from the Auditors on compliance with the provisions of Clause 49 of the Listing Agreement executed with the Stock Exchanges. This Certificate is given on Page 22.

Directors' Responsibility Statement

The Board of Directors of the Company confirms as required under Section 217 (2AA) of the Companies Act, 1956

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- b) that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) That the annual accounts have been prepared on a going concern basis.

Acknowledgement

Your Directors take this opportunity to thank various Government Departments, Banks, SEEPZ (SEZ), STPI, Stock Exchanges, and other statutory bodies for their consistent support to the Company. The Directors would like to acknowledge the continued support of the Company's shareholders in all its endeavours. The Directors also wish to place on record their appreciation of the hard work, dedication and commitment of the employees.

On Behalf of The Board of Directors

SAJID MALIK
MANAGING DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Place: Mumbai

Dated: August 18, 2008



ANNEXURE 'A'

TO THE DIRECTORS' REPORT

Particulars of Conservation of Energy, Research & Development, Technology Absorption and Foreign Earnings and Outgo as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31, 2008.

Conservation of Energy

Your Company is proactively taking steps to increase energy efficiency at its production facilities. Your Company has replaced majority of the CRT displays with TFT displays that are used with Computer Workstations to reduce energy consumption. Similarly, Timers have been installed for Packaged Air Conditioner units as well as condenser coils replaced to reduce electricity consumption. Your Company continues to evaluate various technologies as well as improve work practices to keep our systems energy efficient.

Research and Development

Your Company is currently doing pioneering research in the area of Image Intelligence and Recognition, mobile mapping as well as LIDAR. It is working closely with leading universities as well as world experts in this field. Our R & D efforts are being recognized by our customers as well as other peers in the industry segments that your Company operates in.

Technology absorption, adaptation, and innovation

Your company has upgraded all servers to cater to the stringent project and process requirements. To provide fault-tolerance, all servers have been protected using RAID Level 5. Indigenous technology available is continuously being upgraded to improve overall performance.

Your Company has an extensive communication infrastructure connecting its various offices in USA and UK. The communication network caters to data connectivity between all the offices. There are plans to extend this network to enable VoIP among all offices in the coming future.

Foreign Exchange Earnings & Outgo

The required information on foreign exchange earnings and outgo is contained in the Notes forming part of Accounts.

On Behalf of The Board of Directors

SAJID MALIK
MANAGING DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Place: Mumbai

Dated: August 18, 2008

→ CORPORATE GOVERNANCE REPORT

Introduction

Corporate Governance is the environment which guides and creates the eco system amongst various stakeholders in the corporation such as the Board, Management, shareholders and other stakeholders and spells out the rules, ethical standards and procedures for making decisions on corporate affairs. It also provides the structure through which the Company objectives are set and the means of attaining those objectives and monitoring performance.

Company's Philosophy on Code of Governance

Corporate Governance is about promoting corporate fairness, transparency and accountability. We, at Genesys, believe in the principles and attributes of Corporate Governance practices for enhancing shareholders' wealth.

To adhere to the principles of Corporate Governance, the Company has taken various initiatives such as:

- Composition of Board of Directors with an appropriate mix of Executive and Non-Executive Directors with a right element of independence.
- Timely flow of information to the Board and its Committees for enabling them to discharge their duties effectively.
- Compliance with the applicable rules and regulations.
- Code of Conduct for Directors and Senior Management.
- Policy on prohibition of Insider Trading.

Genesys's philosophy on the Code of Governance:

- Ensures that quantity, quality and frequency of financial and managerial information that is shared with the Board fully places the Members of the Board in control of the Company's affairs.
- Ensures that the Board exercises its responsibilities towards the stakeholders.
- Ensures that decision-making is transparent and documented through the Minutes of the Meetings of the Board / Committee thereof.

- Ensures maximizing long-term value of the stakeholders and the Company.
- Ensures that core values of the Company are protected.

REPORT ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

As a Company, which believes in implementing Corporate Governance practices that go beyond meeting the letter of law, Genesys has comprehensively adopted practices mandated in Clause 49 of the Listing Agreement.

The details of these practices have been given in the relevant sections of this Report. The status on compliance with the Non-Mandatory requirements is given at the end of this Report.

The Compliance Report on Corporate Governance is as under:

Board of Directors

The structure of the Company Board has a considerable influence on the way companies are managed and controlled. The Board of Directors ('the Board') of the Company is responsible for establishing corporate objectives, developing broad policies and implementing those policies in order to meet the desired objectives.

Company Boards are permitted to vary in size, composition and structure so as to best serve the interest of the Company and its stakeholders.

Genesys' Board has an optimum combination of Directors. The Board consists of 6 Directors, out of which 3 are Independent Directors. All the 3 Independent Directors of the Company are independent of management and free from any business or other relationship that could materially influence their judgement. All the independent Directors satisfy the criteria of independence as defined under the Listing Agreement executed with the Stock Exchanges.

The composition of the Board is also in conformity with the provisions of Clause 49 of the Listing Agreement.

Composition of Board

Table 1: Given below is the composition of the Board and other relevant details relating to Directors

Name of the Director	Designation & Category	No. of Directorships in other Indian public Companies	No. of committee positions held in other Indian public Companies.
Mr. Sajid Malik DIN: 00400366	Managing Director, Non Independent, Executive	5	Nil
Mrs. Saroja Malik DIN: 00400421	Whole Time Director, Non Independent, Executive	3	3
Mr. Sohel Malik* DIN: 00987676	Executive Director, Non Independent, Executive	Nil	Nil
Mr. Hemant Majethia DIN: 00400473	Independent, Non Executive	2	Nil
Mr. Ganapathy Vishwanathan DIN: 00400518	Independent, Non Executive	2	3
Mr. Ganesh Acharya DIN: 00702346	Independent, Non Executive	Nil	3

* Appointed as Executive Director w.e.f. September 01, 2007.

Mr. Sajid Malik and Mr. Sohel Malik are sons of Mrs. Saroja Malik

Details of Shareholdings

Table 2: Details of Equity Shares held by the Directors as on March 31, 2008

Name	No. of Equity Shares
Mr. Sajid Malik	2,01,544
Mrs. Saroja Malik	1,91,479
Mr. Sohel Malik	5,75,000
Mr. Hemant Majethia	5,152
Mr. Ganapathy Vishwanathan	50,186
Mr. Ganesh Acharya	24,987

Board Meetings

The Board Meetings dates are decided in consultation with all the Directors of the Company and the schedules of the Board

Meetings are communicated in advance to the Directors.

Agenda for the Board Meeting is sent to all the Board Members.

The Board Meetings and other Committee Meetings are held at the Registered Office of the Company. The Company Secretary records the Minutes of the proceedings of each Board and Committee Meeting. The draft Minutes are circulated to all the Members of the Board / Committees for their comments and are confirmed at the next Meeting of the Board / Committee.

Table 3: Details of Board Meetings held and the dates on which they were held during 2007-2008

Quarter	No. of Meetings	Date on which held
April 2007 to June 2007	1	i) April 30, 2007
July 2007 to September 2007	2	ii) July 31, 2007 iii) September 03, 2007
October 2007 to December 2007	4	iv) October 24, 2007 v) October 31, 2007 vi) November 30, 2007 vii) December 19, 2007
January 2008 to March 2008	2	viii) January 31, 2008 ix) February 29, 2008
Total	9	

Information flow to the Board Members

The Company presents its Operating and Strategic Plans to the Board for its review, inputs and approval. Similarly, the quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition to this, important managerial decisions and statutory matters are presented to the Board / Committees for their approval.

The Board periodically reviews compliance reports of all laws applicable to the Company. In addition to this, pursuant to Clause 49 of the Listing Agreement, the Minutes of the Board Meeting of Unlisted Subsidiary Companies are placed before the Board. The Board also reviews the financial statements of Unlisted Subsidiary Companies.

Table 4: Details of attendance of Directors in Board Meetings and last Annual General Meeting

Name of the Director	No. of Board Meetings held during the year	No. of Board Meetings Attended	Attendance at the Last AGM
Mr. Sajid Malik	9	8	No
Mrs. Saroja Malik	9	9	No
Mr. Sohel Malik	9	3	No
Mr. Hemant Majethia	9	9	Yes
Mr. Ganapathy Vishwanathan	9	9	Yes
Mr. Ganesh Acharya	9	9	No

Directors with pecuniary relationship or business transaction with the Company

All the Executive Directors receive salary, allowances, perquisites, while Non-Executive Director(s) are entitled for commission. None of the Non-Executive Directors of the Company have any pecuniary material relationship or transaction with the Company for the year ended March 31, 2008.

Board Committees

The Company has three Board-Level Committees: Audit Committee, Remuneration Committee and Shareholders' / Investors' Grievance Committee.

All decisions pertaining to the constitution of Committees, appointment of Members and fixation of the terms of reference for Committee Members are taken by the Board of Directors.

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement executed with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The primary functions of the Audit Committee are to provide assistance to the Board of Directors in fulfilling their responsibility to the shareholders, potential shareholders, the investors and other stakeholders relating to:

- overseeing the processes ensuring the integrity of the Company's financial statements;

Composition of Audit Committee

The composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Ganapathy Vishwanathan	Chairman	Independent Director
Mr. Hemant Majethia	Member	Independent Director
Mr. Ganesh Acharya	Member	Independent Director

Table 5: Details of Audit Committee Meetings held during the year 2007-2008 and the attendance of Members

Name of the Member	Meetings held during the year	Meetings attended
Mr. Ganapathy Vishwanathan	7	7
Mr. Hemant Majethia	7	7
Mr. Ganesh Acharya	7	7

- overseeing the processes for the management of enterprise risks;
- overseeing the processes for compliance with laws and regulations;
- reviewing the process of entering into related party transactions and related disclosures;
- recommending to the Board, the appointment, re-appointment and if required replacement or removal of the statutory auditors and fixation of audit fees;
- reviewing with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on exercise of judgement by the Management.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference;
- Seek information from the employees of the Company;
- Obtain outside legal / professional advice;
- Secure attendance of outsiders with relevant expertise, whenever considered necessary.

Seven Audit Committee Meetings were held during the year 2007-2008. The dates on which the said Meetings were held are as follows:

- | | |
|-----------------------|------------------------|
| i) April 30, 2007 | v) November 30, 2007 |
| ii) July 31, 2007 | vi) January 31, 2008 |
| iii) October 24, 2007 | vii) February 29, 2008 |
| iv) October 31, 2007 | |

The Chairman of the Audit Committee had attended the last Annual General Meeting of the Company and had addressed the queries of the Shareholders of the Company.

The Company Secretary functions as a Secretary to the Audit Committee.

Remuneration Committee

Although not mandated by Clause 49 of the Listing Agreement, the Company has constituted a Remuneration Committee of Directors. The broad terms of reference of the Remuneration Committee are as under:

- Approve the annual remuneration plan of the Company;
- Approve the remuneration and commission / incentives payable to the Directors of the Company;
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

The Remuneration Committee has the power and authority to decide all matters that must be determined in connection with compensation to senior management.

Composition of Remuneration Committee

The Remuneration Committee has three Non-Executive Members, all being independent.

Table 6: Composition of the Remuneration Committee

Name	Designation	Category
Mr. Ganapathy Vishwanathan	Chairman	Independent
Mr. Hemant Majethia	Member	Independent
Mr. Ganesh Acharya	Member	Independent

Three Remuneration Committee Meetings were held during the FY 2007 – 2008. The dates on which the said Meetings were held are : i) May 07, 2007 ii) September 03, 2007 iii) October 24, 2007

The Company Secretary functions as a Secretary to the Remuneration Committee.

Remuneration Policy

The Remuneration Committee recommends to the Board the compensation package of the Executive Directors of the Company. The remuneration of the Managing Director and Executive Director of the Company have been approved by the Shareholders of the Company and Central Government in

accordance with the relevant provisions of the Companies Act, 1956. Commission as approved by the Shareholders of the Company is paid to the Non-Executive Director(s) of the Company. The commission is limited to a sum payable as approved by the Board subject to a condition that cumulatively it shall not exceed 1% of the Net Profits of the Company for all Non Executive Directors in aggregate for one financial year.

Table 7: Details of remuneration paid to the Directors of the Company during the financial year 2007-2008

Particulars	Mr. Sajid Malik Managing Director	Mrs. Saroja Malik Whole Time Director	Mr. Sohel Malik Executive Director ¹	Non-Executive Director(s)
Salary & Allowances	4,747,025	975,000	4,240,963	Nil
Commission	Nil	Nil	Nil	1,400,000
Sitting Fees	Nil	Nil	Nil	Nil
Total	4,747,025	975,000	4,240,963	1,400,000

¹ Appointed as Executive Director w.e.f. September 01, 2007

The Company does not have any stock option scheme or performance linked incentive plan for its Directors. None of the Directors are paid sitting fees for attending the Meetings of the Board and Committees of which they are Members. There was no material pecuniary relationship or transaction with any Director other than that reported above.

Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee is

responsible for resolving investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, transmission of shares and other related complaints.

The Committee also oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Composition of Shareholders' / Investors' Grievance Committee

Table 8: Composition of the Shareholders' / Investors' Grievance Committee

Name	Designation	Category
Mr. Ganapathy Vishwanathan	Chairman	Independent
Mr. Hemant Majethia	Member	Independent
Mr. Pankaj Bahal	Member	Company Secretary

Table 9

During the year, the Committee met five times, details of which are mentioned herein under:

Date	Committee Strength	No. of Members present
April 30, 2007	3	3
July 31, 2007	3	3
October 09, 2007	3	3
October 31, 2007	3	3
January 31, 2008	3	3

Compliance Officer

Mr. Pankaj Bahal

Company Secretary

73-A, SDF III, SEEPZ,

Andheri (East),

Mumbai – 400 096

Tel: 91.22.2829 0303

Fax: 91.22.2829 0603

Email: pankaj.bahal@igenesys.com

Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed share capital of the Company.

The Secretarial Audit Report submitted by the Practicing Company Secretary on quarterly basis confirms that the total issued / paid up equity share capital of the Company is in agreement with the total number of equity shares in physical form and the total number of shares held in dematerialised form with NSDL and CDSL.

Investor Grievances

No investor grievances were pending redressal at the beginning of the financial year 2007 – 2008 and no investor grievance was received by the Company during the said period.

Secretarial Audit

The Company has appointed a qualified Practicing Company

Compliance Certificate

The Certificate dated August 18, 2008, obtained from M/s Contractor, Nayak & Kishnadwala, Chartered Accountants and Statutory Auditors of the Company is given at Page No. 22 of this Annual Report.

Note on Directors seeking re-appointment**Table 10:** Abbreviated resumes of the Directors of the Company seeking re-appointment

Name of Director	Mr. Ganapathy Vishwanathan	Mr. Ganesh Acharya
Nature of Resolution	Re-appointment as Director	Re-appointment as Director
Date of Birth	March 27, 1964	March 14, 1965
Date of Appointment	March 27, 2001	March 27, 2002
Director Identification Number	00400518	00702346
Qualifications	ACA, ICWA, CS - Final Passed	B. Com
Directorship held in other Companies (including Foreign Companies and Private Companies)	i) GI Engineering Solutions Ltd ii) ladya Systech Ltd iii) Ventura Commodities Pvt Ltd iv) Ventura Institutional Equities Pvt Ltd v) Divine Investment Advisors Pvt Ltd vi) Divine Venture Pvt Ltd vii) Robinhood Insurance Broking Service Pvt Ltd viii) Jaspar Holdings Pvt Ltd ix) Viceroy Industries Pvt Ltd	i) GI Engineering Solutions Ltd ii) Game Securities Pvt Ltd
Chairman / Member of Committees of other Companies	GI Engineering Solutions Ltd Chairman :- Audit Committee Remuneration Committee Shareholders' / Investors' Grievance Committee	GI Engineering Solutions Ltd Member :- Audit Committee Remuneration Committee Shareholders' / Investors' Grievance Committee
Number of Equity Shares held in the Company	50,186	24,987

Disclosures

- (a) Transactions with related parties as per requirements of Accounting Standard (AS) 18 are disclosed elsewhere in the Annual Report and they are not in conflict with the interest of the Company at large.
- (b) The Company has duly complied with the requirement of Regulatory Authorities on Capital Markets and no strictures / penalties have been imposed against it in the last three years by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any Regulatory Authority on any matters related to Capital Markets.
- (c) The Company has adopted a 'Whistleblower Policy', which has been communicated alongwith the Code of Conduct. The Whistleblower Policy encourages the employees to raise concerns within the Company than

overlooking the problem. The employees can report problems directly to the Audit Committee.

No person has been denied access to the Audit Committee.

During the year no concern was reported under Whistleblower Policy.

- (d) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges.

Means of Communication

- (a) The quarterly / half yearly and the annual results of the Company are displayed on the Company's website www.igenesys.com.
- (b) The Unaudited quarterly / half yearly and annual results are announced within the prescribed time as stipulated

under the Listing Agreement with the Stock Exchanges. The quarterly, half-yearly and annual results of the Company's performance are published in the Business Standard (English daily) and Sakal (Marathi daily).

- (c) In Compliance with Clause 41 of the Listing Agreement, the Company sends the quarterly /half yearly/ audited results to the Stock Exchanges within 15 minutes of the

end of the Board Meetings at which they are approved.

- (d) All data required to be filed electronically as EDIFAR document pursuant to Clause 51 of the Listing Agreement such as quarterly financial results, shareholding pattern etc. are being regularly filed on the EDIFAR website viz. www.sebiedifar.nic.in in addition to the filing of the same in hard copy with the Stock Exchanges.

Management Discussion and Analysis

'Management Discussion and Analysis' forms part of this Annual Report as a separate Annexure.

General Body Meetings

Details of last three Annual General Meetings

Table 11: Details of Location, time and date of the last three Annual General Meetings of the Company

Financial Year	Date	Time	Location of the Meeting	Special Resolutions passed
2004-2005	November 30, 2005	2.30 P.M.	Kohinoor Continental, Andheri – Kurla Road, Andheri (East), Mumbai-400059.	Nil
2005-2006	December 28, 2006	2.30 P.M.	Kohinoor Continental, Andheri – Kurla Road, Andheri (East), Mumbai-400059.	1. Payment of Commission to Non-Executive Directors
2006-2007	November 29, 2007	2.30 P.M.	Hotel Tunga International, Tribune II, Central Road, MIDC, Andheri (East), Mumbai – 400 093	1. Appointment of Mr. Sajid Malik as Managing Director 2. Appointment of Mr. Sohel Malik as Executive Director

During the financial year 2007-08, no resolution was passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

Court Convened Meeting of Members

Table 12: Details of Location, time and date of the Court Convened Meeting held during the FY 2007 - 2008

Date	Time	Location of the Meeting	Details of Resolution Passed
June 11, 2007	11.00 A.M.	Kohinoor Continental, Andheri – Kurla Road, Andheri (East), Mumbai-400059.	Approval of the Members for demerger of the Engineering and Information Technology business division of the Company into GI Engineering Solutions Ltd.

General Shareholder Information

Annual General Meeting

Date: Monday, September 29, 2008

Time: 2.30 p.m.

Venue: Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai-400 059.

Attendance

Every Member shall have the right to attend, speak and vote at the Annual General Meeting. A person is considered to be a Member of the Company, if his name appears on the Register of Members or a beneficiary holder in the books of National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) as on the date of Annual General Meeting.

If you intend to come to the Meeting:

Please do bring the Attendance Slip and the copy of Annual Report. Copies of Annual Report shall not be distributed at the

Financial Calendar

The Board Meetings for approval of quarterly, half yearly and annual financial statements during the year ended March 31, 2008 were held on the following dates:

Table 13

Results for the quarter ended June 30, 2007	July 31, 2007
Results for the quarter ended September 30, 2007	October 31, 2007
Results for the quarter ended December 31, 2007	January 31, 2008
Results for the quarter ended March 31, 2008	April 30, 2008

The tentative dates of the Board Meeting for consideration of the financial statements for the year ending March 31, 2009 are as follows:

Table 14

Results for the quarter ended June 30, 2008	Held on July 31, 2008
Results for the quarter ended September 30, 2008	Last week of October 2008
Results for the quarter ended December 31, 2008	Last week of January 2009
Results for the quarter ended March 31, 2009	Last week of April 2009

Meeting. All joint shareholders may attend and speak at the Meeting. However, the joint shareholder whose name appears first shall be entitled to vote at the Meeting.

If you do not intend coming in person but would like to appoint someone to act on your behalf:

In case you do not wish or are unable to attend the Meeting, you may appoint someone else to act on your behalf and to vote on your behalf in the event of a poll. The person so appointed is known as a Proxy. In case you wish to appoint a proxy, please complete, sign and return the proxy form. However, the appointment of proxy does not preclude you from attending the Meeting in person. In case you attend the Meeting after appointing a proxy, then the proxy shall be deemed to be revoked.

Last Date of Receipt of Proxy

Saturday, September 27, 2008 (before 2.30 p.m. at the Registered Office of the Company)

Dividend

The Board of Directors of the Company has recommended a Dividend of Rs. 2/- per share on Equity Shares of Rs. 10/- each.

Book Closure

Friday, September 26, 2008 to Monday, September 29, 2008 (both days inclusive) to determine the entitlement of shareholders to receive the Dividend as may be declared for the year ended March 31, 2008.

Dividend Payment Date

Dividend on Equity Shares as recommended by the Directors of the Company for the year ended March 31, 2008, when declared at the Meeting, will be paid on or before October 27, 2008

(i) to those Members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged with Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company on or before September 25, 2008;

(ii) in respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the opening hours of September 26, 2008.

Electronic Clearing Service (ECS) Facility

The Company shall provide the facility of ECS to those shareholders in the locations where ECS is available. For balance locations, the Company shall arrange demand drafts through its Bankers.

- If you are located at any of the ECS Centres and have not

registered your ECS, please arrange to forward your ECS mandate to your Depository Participant if the shares are held in demat mode, or to the Company's Registrar and Share Transfer Agent, if the shares are held in physical form, immediately.

- If your bank particulars have changed for any reason, please arrange to register the ECS with the revised bank particulars.

All the aforesaid arrangements are subject to Guidelines issued by Reserve Bank of India from time to time.

The demand drafts shall be valid for a period of 6 months. On the expiry of the validity period, the demand drafts may be sent back to our Registrars and Share Transfer Agents for the purpose of issuance of fresh demand drafts in lieu thereof.

Listing of Equity Shares on Stock Exchanges**Bombay Stock Exchange Limited**

P J towers, Dalal Street,
Fort, Mumbai-400 001
Scrip Code: 506109
Category: T
Website: www.bseindia.com

National Stock Exchange of India Limited

Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400 051
Symbol: GENESYS
Series: BE
Website: www.nseindia.com

Listing fees for the year 2007-08 have been paid to the Stock Exchanges on which the Company's Shares are listed.

Stock Market Data

Table 15: Stock Prices in financial year 2007 – 2008 (BSE and NSE)

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2007	21.85	17.60	21.85	18.00
May 2007	22.60	19.50	22.05	19.50
June 2007	30.15	19.95	30.05	19.90
July 2007	43.15	31.65	43.35	31.55
August 2007	35.70	28.80	35.75	29.65
September 2007	42.95	35.50	43.95	35.20
October 2007	65.10	33.70	65.75	34.65
November 2007	75.30	50.70	76.15	51.80
December 2007	72.80	63.05	72.00	61.95
January 2008	97.40	55.50	95.70	58.80
February 2008	74.95	57.70	75.45	56.50
March 2008	59.00	29.60	57.10	28.60

Source: BSE and NSE Websites

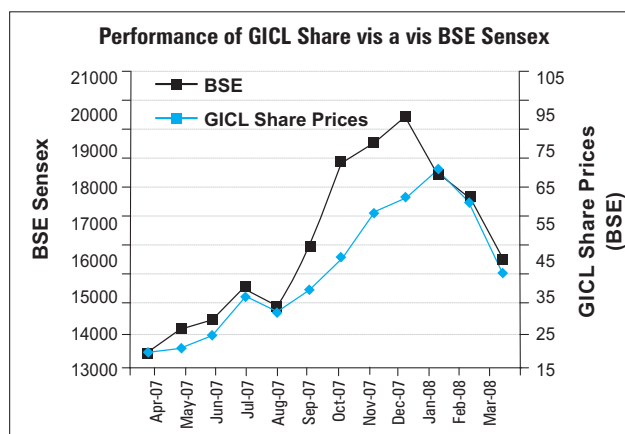
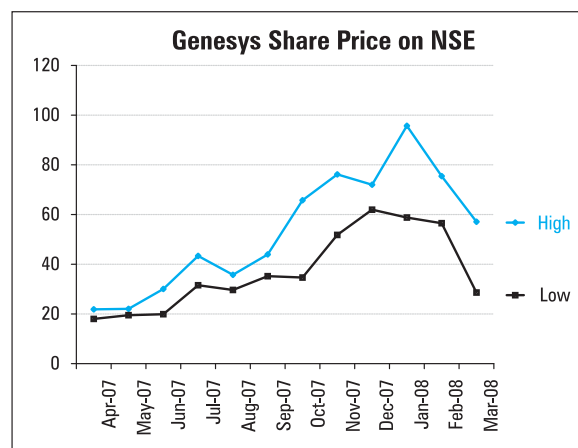
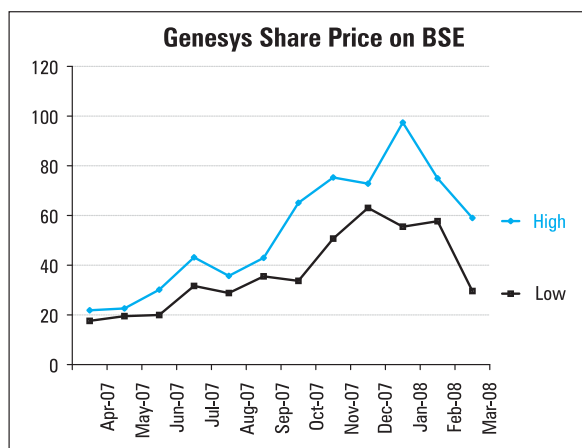


Table 16: Shareholding Pattern by ownership as on March 31, 2008

Description	Folios	Percentage	Number of Shares	Percentage
Promoters	6	0.20	58,28,667	50.38
Independent Directors & their relatives	8	0.27	80,842	0.70
Mutual Fund	4	0.13	8,100	0.07
Body Corporate	183	6.17	4,86,793	4.21
FII	2	0.07	11,47,359	9.92
NRIs	21	0.71	16,42,466	14.20
OCBs	1	0.04	50	0.00
Individual / Trust	2723	91.87	23,60,430	20.40
Clearing Member	16	0.54	14,049	0.12
Total	2964	100.00	1,15,68,756	100.00

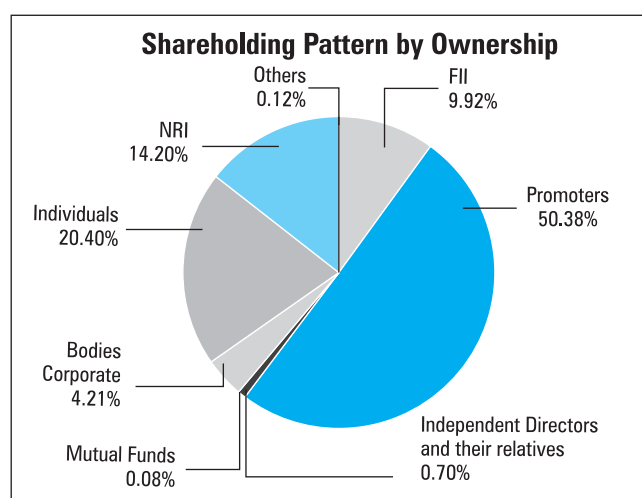


Table 17: Distribution of Shareholding as on March 31, 2008.

Slab of Shareholding	Shareholders	Percentage	Shareholding in Rs.	Percentage
Upto 5000	2267	76.48	39,96,590	3.45
5001 - 10000	337	11.37	28,51,420	2.46
10001 - 20000	164	5.53	25,53,540	2.21
20001 - 30000	59	1.99	14,94,370	1.29
30001 - 40000	24	0.81	8,62,920	0.75
40001 - 50000	23	0.78	10,98,930	0.95
50001 - 100000	39	1.32	29,73,240	2.57
Above 100001	51	1.72	9,98,56,550	86.32
Total	2964	100.00	11,56,87,560	100.00

Dematerialization of Shares

The Company's Equity Shares are under compulsory dematerialization list and can be transferred through the depository system. The Company has entered into Agreements

with NSDL and CDSL to facilitate the dematerialization of Equity Shares.

The details of Equity Shares held in physical and demat form as on March 31, 2008 are given as follows:

Table 18

Particulars	No. of Shares	Percentage
Physical	2,58,822	2.24
NSDL	1,08,06,045	93.41
CDSL	5,03,889	4.35
Total	1,15,68,756	100.00

The International Securities Identification Number (ISIN) is an identification number for traded scrips. This number needs to be quoted in each transaction relating to the dematerialized Equity Shares of the Company. The ISIN for the Equity Shares of the Company is INE727B01018.

The Company has paid Custodial Fees for the year 2008-2009 to NSDL and CDSL on the basis of number of beneficial accounts maintained by them as on March 31, 2008.

Outstanding Instruments

As on March 31, 2008, there were 33,55,000 warrants convertible into 33,55,000 Equity Shares of Rs. 10/- each at a premium of Rs. 9/- per Equity Share.

The aforesaid warrants were issued on preferential basis to the Promoter of the Company and other individual investor in accordance with the provisions of Companies Act, 1956 and SEBI (Disclosure and Investor Protection) Guidelines, 2000.

During the period between the end of the FY 2007-08 and the date of this Report, the warrant holders have exercised their option of conversion of warrants into Equity Shares and accordingly the Company has allotted 33,55,000 Equity Shares of Rs. 10/- each at a premium of Rs. 9/- per Equity Share.

There are no outstanding warrants / instruments as on the date of this Report.

Postal Ballot

During the year ended March 31, 2008, the Company has not transacted any business through postal ballot. As and when

required, the procedure for postal ballot shall be duly conducted as per the provisions of the Companies Act, 1956.

Registrar and Share Transfer Agents

For assistance regarding dematerialization of shares, share transfers, change of address or any other queries relating to Shares, please contact:

Bigshare Services Private Limited

Unit: Genesys International Corporation Ltd
E/2, Ansa Industrial Estate, Saki-Vihar Road, Saki-Naka,
Andheri (East), Mumbai 400 072
Telephone: 91.22.2847 3474 / 91.22.2847 0652
Fascimile: 91.22.2847 5207
Email: bigshare@bom7.vsnl.net.in

Investors Correspondence

Mr. Pankaj Bahal

Company Secretary
Genesys International Corporation Limited
73-A, SDF III, SEEPZ,
Andheri (East),
Mumbai – 400 096
Telephone: 91.22.2829 0303
Fascimile: 91.22.2829 0603
Email: pankaj.bahal@igenesys.com
Website: www.igenesys.com

Development Centres

Table 19: Given below are the details of Development Centres of the Company

Development Centres	Location
Mumbai	73A, 75 & 77, SDF-III, SEEPZ, Andheri (East), Mumbai-400 096
Bangalore	Prestige Terminus 1, 3 rd & 4 th Floor, Airport Exit Road, Bangalore-560 017
White Plains, USA	108, Corporate Park Drive, Suite 211, White Plains, New York 10604 USA
Oxfordshire, UK	Temple Court Business Centre, 107-109 Oxford Road, Cowley, Oxford OX4 2ER, UK

Implementation of Code of Conduct

The Company has duly adopted a 'Code of Conduct' for Senior Management and Directors.

The Code of Conduct outlines fundamental ethical considerations as well as specific considerations that need to be maintained for professional conduct. It reflects general principles to guide employees in making ethical decisions. The Board of Directors and all senior employees of the Company have the responsibility to understand and follow the Code of Conduct.

This Code has been displayed on the website of the Company i.e. www.igenesys.com.

As required under Clause 49 of the Listing Agreement, the affirmation as regards compliance with the Code of Conduct from Directors and Senior Management has been obtained for this financial year.

A Declaration signed by the Managing Director of the Company is re-produced as follows:

"This is to confirm that the Company has duly obtained necessary affirmation from all the Members of the Board and Senior Management regarding compliance with the adopted Code of Conduct for the financial year ended March 31, 2008."

Place: Mumbai
Dated: August 18, 2008

SAJID MALIK
MANAGING DIRECTOR

Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2002

In compliance with these Regulations, the Company has formulated an Insider Trading Code for the Designated Employees ('the employees') and Directors of the Company for dealing in the Equity Shares of the Company. Various forms have been designed to receive periodical information from the employees and the Directors of the Company, as required in terms of the Regulations. Further, the Trading Window for dealing in the Equity Shares of the Company is periodically closed for the Directors and the employees of the Company as per the Insider Trading Code in force in the Company.

Non-Mandatory requirements of Corporate Governance

The Company has a duly constituted Remuneration Committee to review the remuneration, incentives and commission to be paid to the Directors and Senior Employees of the Company. Further, the Company has adopted the Whistleblower mechanism, which has been discussed in this report. The Company's policies as regards adoption of other non-mandatory requirements shall be disclosed in the report from time to time.

On Behalf of The Board of Directors

SAJID MALIK **GANAPATHY VISHWANATHAN**
MANAGING DIRECTOR DIRECTOR

Place: Mumbai
Dated: August 18, 2008

➤ CERTIFICATION UNDER CLAUSE 49 OF LISTING AGREEMENT

We, Sajid Malik, Managing Director and Ratan Das, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a) We have reviewed the financial statements and the cash flow statement of Genesys International Corporation Limited for the year ended March 31, 2008 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable law and regulations.
- b) There are, to the best of our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that

we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to be taken to rectify these deficiencies.

- d) We 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 we 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.

SAJID MALIK
MANAGING DIRECTOR

RATAN DAS
CHIEF FINANCIAL OFFICER

Place: Mumbai

Dated: August 18, 2008



REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE

To the Members of

Genesys International Corporation Limited

We have examined the compliance of conditions of corporate governance by Genesys International Corporation Limited for the year ended on March 31, 2008 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the

Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

As per the records of the Company there were no investor grievances pending at the end of the year under report.

We 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.

For **Contractor, Nayak & Kishnadwala**
Chartered Accountants

SAROJ MANIAR
PARTNER

Place: Mumbai

Date: August 18, 2008

➔ MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

'Geography' has assumed great importance with the development of information technology. While the progress of internet technology coupled with huge growth in the other channel of communication in general has reduced the distance between two geographies / locations to bare minimum ('death of distance'), Geospatial Information System (GIS), in particular, has enabled the user to link geography / location to information in a more systematic way, in terms of time, cost and accuracy.

GIS processes have been largely applied by companies in real estate, telecom, insurance, retail, and energy. Real estate companies are increasingly using GIS to improve their decision-making capabilities on important aspects such as site selection and property valuation processes. Insurance companies use GIS as a critical tool in the underwriting workflow systems. The retail industry has started using GIS in their customer management processes and likewise the energy industry is using GIS in their energy related research processes. All these industries need to make location-based decisions in their day-to-day work, and integrating and implementing GIS in their process workflow is a key part of their strategy to improve the effectiveness and the ROI of their systems and processes.

As in any industry, GIS industry too, has witnessed important milestones. There has been an increase in geographic measurement being driven by new technologies (i.e. satellite and airborne sensing, Lidar, GPS, and digital surveying) as well as by real-time sensors that are capturing data and making it available as Web services.

GPS technology is becoming pervasive and making people increasingly aware of geospatial information. The greatest power in simple words for GIS is in the areas of tracking assets, people, etc., and collecting professional grade survey measurements

Growth of GIS industry, in recent years, has revolutionized decision making process in bodies' corporate and governmental agencies on one side and has accelerated huge growth in the 'navigation' devices used in cars and handheld systems on the other.

The market for geospatial service technologies has grown to approximately \$2 billion in 2005. It is estimated to touch \$3 billion by the end of 2008. Spurt in the growth in the telecom, realty, infrastructure and e-governance sector in the recent years, has given further impetus to the growth of GIS industry across the globe.

The scenario is no different in India especially with increased awareness of utility of GIS. With the increased spending for control and growth on the part of the government and the utility sector, GIS industry is also getting requisite momentum in India with international players opening shops in the region. With more and more international companies joining the fray along with its Indian counterparts in the GIS space, India is gradually becoming a hub for outsourcing GIS business from across the globe.

Opportunities and Threats

Lower cost of production due to lower cost of resources and infrastructure, easier availability of skilled resources, government initiatives, growth on infrastructure development, etc., continue to be the strong pillars of India's phenomenal growth in the information technology sector. While the cost arbitrage that the Indian companies enjoy vis-à-vis its overseas counterparts is narrowing down with the passage of time, India still attracts large number of outsourcing activities from in and around the world, largely on account of other positive factors prevalent in the country. With 100% offshore model in place, our Company is very strongly positioned to take advantage of the current situation.

Volatility in the foreign exchange rate, high rate of attrition, fast change on the technology front, intense competition, etc. are some of the major challenges, which like any other IT company, we have been grappling with. Your Company is, however, confident to handle this situation with ease as it has always done in the past.

Risks and Concerns

The Company faces Risks and Concerns which are common to any information technology company. Some of those are:

Internal factors:

1. Rise in the cost of resources
2. Scarcity of skilled resources
3. Retention of employees
4. Scale of operations
5. Intense competition
6. Technological changes

External factors:

1. Political opposition to offshore outsourcing
2. Political instability
3. Government Policies
4. Appreciation in the value of the Rupee
5. Recession in the overseas market
6. Consolidation of operations through merger and acquisitions

Internal Control System and its adequacy

The Company has put necessary processes and system in place in order to effectively control and monitor its operations. Compliance with such processes and system has become necessary considering the growth and complexity that the Company has experienced over the years. Such processes, etc., cover entire gamut of corporate operations, namely, production / development, purchase, sales, authorization, and entire leg of support services. Review of processes / outcome of processes take place on monthly basis by the top management of the Company.

Both the development centers of the Company, in Mumbai and Bangalore, are ISO 9001 2000 certified, signifying a matured and reliable delivery system.

Having regard to the nature and size of the operations of the Company, the management believes, the internal control processes are in place and adequate to take care of the current need.

Discussion on Financial Performance**LIABILITIES AND ASSETS****Share Capital**

During the year under review, the Issued, Subscribed and Paid up Equity Share Capital comprised of 1,15,68,756 Equity Shares of Rs. 10/- each aggregating to Rs. 1156.87 lacs.

Further, during the period between the end of the financial year 2007-2008 and the date of this report, the Company has allotted 33,55,000 Equity Shares of Rs. 10/- each at a premium of Rs. 9/- per Equity Share against conversion of 33,55,000 Warrants allotted/issued by the Company on preferential basis in the month of January 2007.

There are no outstanding warrants/instruments convertible into Equity Shares as on the date of this Report.

Reserves and Surplus

Reserves and Surplus consists of balance in the General Reserve, Security Premium Account, Capital Reserve Account and balance lying to the credit of Profit and Loss Account.

A sum of Rs.140.00 lacs was transferred to General Reserve Account out of the net profit earned by the Company during the year under reference and consequently, the balance in the General Reserve stands at Rs.500.00 lacs as on March 31, 2008.

While the balance in the Share premium and Capital Reserve Account remain unchanged as on the date of the current balance sheet, vis-à-vis March 31, 2007, balance in the Profit and Loss Account increased to Rs.1974.03lacs, post proposed dividend, due to profit earned by the Company during the year.

Secured and Unsecured Loans

The Company does not have any unsecured loan. During the year, the Company has made fresh borrowings of Rs.251.11 lacs (net) from Banks, to take care of the funds requirement for growth. Balance of Secured Loan in the books of the Company as on March 31, 2008, stands at Rs.502.21 lacs.

Fixed Assets

The Company, being in the IT space, has a larger share of investment in the data processing equipments and software. During the year, a further investment of Rs. 395.96 lacs (net) was made in various fixed assets in line with the growth experienced by the Company.

Gross Block at the end of the current year is reported at Rs. 2215.20 lacs as against Rs.1819.24 lacs reported in the previous year. Net Block at the end of the same period has risen to Rs.559.94 lacs as against Rs.383.25 lacs in the previous year.

The Company follows straight-line method of depreciation as per provision of Schedule XIV of the Companies Act, 1956. However, with regard to data processing equipments, the Company provides depreciation at an accelerated rate to match with the useful life of the assets.

Investment

During the year, the Company made a further investment of Rs.5 lacs in M/s. ladya Systech Limited, a wholly owned subsidiary Company.

Unbilled Revenue

Balance in Unbilled Revenue account stood at Rs. 64.71 lacs as on March 31, 2008, as against Rs.17.00 lacs as on March 31, 2007. As on March 31, 2008, unbilled revenue accounts for 1.37% of the total revenue from operations for the year 2007-08.

Sundry Debtors

Sundry Debtors as on March 31, 2008, was at Rs.1718.79 lacs representing 133 days' invoicing as against Rs.737.55 lacs, representing 140 days' invoicing as on March 31, 2007. Higher debtors' turnover ratio in the current year has been largely attributable to improved internal processes and close monitoring of customers accounts. All the debtors are considered good and recoverable.

Cash and Bank Balance

Total cash and bank balance as on March 31, 2008, was at Rs.824.05 lacs as against Rs.1203.06 lacs. The Company maintains such balances in current, fixed deposit and EEFC accounts with nationalized and other scheduled banks.

Other Current Assets

Other current assets of Rs.1.08 lacs as on March 31, 2008, (previous year: nil) represents interest accrued but not due on fixed deposits with the Bank.

Loans and Advances

Loans and advances represent cash outlay against which

benefits are being received or expected to be received by the Company in future and include:

- Deposits for utility services and facilities
- Advance income tax paid and tax deducted at source
- Prepaid expenses
- Advance to subsidiary company
- Other deposits including inter corporate deposits

On March 31, 2008, Loans and Advances stood at Rs.1420.31 lacs as against Rs.568.29 lacs at the end of 2006-07.

Current Liabilities and Provisions

Current Liabilities and Provision primarily include trade creditors, tax deducted at source pending deposit with the government as on the balance sheet date, provision for employees benefits, proposed dividend and dividend distribution tax thereon.

Total of Current Liabilities and Provision as on March 31, 2008 rose to Rs.1032.43 lacs as against Rs.717.41 lacs in the previous year. Increase in the amount in the current year is largely attributable to the growth in the volume of operations of the Company.

INCOME & EXPENDITURE

Income

During 2007-08, the Company recorded total income of Rs.4752.81 lacs as against Rs.1932.65 lacs in the year 2006-07, a growth of 145.92% over previous year. Profit after tax has risen to Rs.1455.87 lacs in 2007-08, from Rs.206.38 lacs in 2006-07, registering a growth of 605.43% in 2007-08 over 2006-07. Growth in the revenue and profit after tax in 2007-08 is attributable to higher volume of business executed by the Company, optimum utilization of manpower, fixed assets & other financial resources, control over operating expenses, higher realization, etc.

Other Income of Rs.36.50 lac (previous year Rs.15.15 lacs) includes interest income on deposits, dividend from mutual funds investment, etc.

Expenditure

The Company incurred total operating cost of Rs.3232.95 lacs, including depreciation, during 2007-08, as against Rs.1713.77

lacs in the corresponding pervious year. During the year under review, operating cost was at 68.02% of the total income as against 88.67% in the year 2006-07.

CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report may constitute 'forward-looking-statements' within the meaning of applicable laws and regulations. Actual

results may differ from such expectations, projections, etc., whether express or implied. Several factors could make a significant difference to the Company's operations. These include climate and economic conditions affecting demand and supply, government regulations and taxation, natural calamities, etc. over which the Company does not have any direct control.



REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF GENESYS INTERNATIONAL CORPORATION LIMITED

1. We have audited the attached Balance Sheet of Genesys International Corporation Limited as at 31st March 2008 and also the Profit and Loss Account and Cash Flow Statement of the Company for 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 the 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) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - 4.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 4.2. 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.
 - 4.3. The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - 4.4. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report read with our comments in para 6 below comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable, and
5. On the basis of written representations by all the directors of the Company as at 31st March, 2008, and taken on record by the Board of Directors, and the information and explanations as made available to us by the Company, we report that none of the directors of the Company prima facie, have any disqualifications as referred to in clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
6. Attention is invited to note no 21 in Schedule L regarding non provision for diminution in the value of investments in subsidiary companies, for reasons mentioned therein.

7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, 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:

- in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2008 and
- in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

- in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Contractor, Nayak & Kishnadwala
Chartered Accountants**

SAROJ MANIAR

PARTNER

Membership No. 40803

Place: Mumbai

Dated : August 18, 2008



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the Accounts for the year ended March 31, 2008 of **Genesys International Corporation Limited**)

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management during the year. As informed to us, no material discrepancies were noticed on such verification. In our opinion, frequency of verification is at reasonable intervals.
 - c) During the year, the Company has not disposed off any substantial part of the fixed assets.
2. The Company's nature of operations does not require it to hold inventories. Consequently, clause 4(ii) of the Companies (Auditor's Report) Order, 2003, as amended ('the Order') is not applicable.
3.
 - a) The Company has granted interest free loan to one of its wholly owned subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 37,429,200/- and the year end balance was Rs. 37,429,200/-
 - b) The terms and conditions on which loans have been given to the party covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company;
 - c) As per the terms of the loan, there are no overdue amounts at the year end.
 - d) The Company has not obtained any loans from parties covered in the register maintained u/s 301 of the Act.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
 - a) The particulars of contracts and arrangements referred to in section 301 of the Companies Act 1956 have been entered in the register maintained under section 301 of the said Act.
 - b) The transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices and other relevant factors at the time of transaction.
6. The Company has not accepted any deposits from the public and consequently the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system which is commensurate with its size and nature of its business.
8. As explained no cost records have been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect

of the activities carried out by the Company.

9. a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a chit fund, nidhi, mutual benefit fund or a society, the provisions of clause (xiii) of the Order are not applicable.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order

are not applicable to the Company. However the Company has invested in shares of foreign and Indian subsidiary companies and other bodies corporate which have been held in its own name.

15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans raised by the Company have been applied for the purposes for which the loans were raised on an overall basis.
17. On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
18. During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company does not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our audit and as explained, no fraud on or by the Company has been noticed or reported during the year to us.

**For Contractor, Nayak & Kishnadwala
Chartered Accountants**

SAROJ MANIAR

PARTNER

Membership No. 40803

Place: Mumbai

Dated : August 18, 2008

→ BALANCE SHEET

AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	AS AT 31ST MARCH, 2008		AS AT 31ST MARCH, 2007
		Rs.	Rs.	Rs.
SOURCES OF FUNDS				
1) SHAREHOLDERS FUNDS				
a) Share Capital	A	115,687,560		115,687,560
b) Equity Share Warrants	A - 1	6,374,500		6,374,500
c) Reserves & Surplus	B	256,083,597		145,416,488
			378,145,657	267,478,548
2) LOAN FUNDS				
a) Secured Loans	C	50,220,570		25,109,585
			50,220,570	25,109,585
Total			428,366,227	292,588,133
APPLICATION OF FUNDS				
1) FIXED ASSETS				
a) Gross Block	D	221,520,254		181,924,217
b) Less : Depreciation / Amortisation		165,526,028		143,598,830
c) Net Block			55,994,226	38,325,387
d) Advances for Capital Expenditure			1,636,421	2,831,693
2) INVESTMENTS	E		71,082,188	70,582,188
3) CURRENT ASSETS, LOANS & ADVANCES				
a) CURRENT ASSETS				
(i) Unbilled Revenues		6,471,629		1,700,291
(ii) Sundry Debtors		171,879,493		73,755,234
(iii) Cash & Bank Balances		82,405,388		120,305,883
(iv) Other Current Assets		108,532		-
			260,865,042	195,761,408
b) LOANS & ADVANCES				
			142,031,919	56,828,693
			402,896,961	252,590,101
LESS: CURRENT LIABILITIES & PROVISIONS				
G				
(i) Current Liabilities		52,297,587		65,115,820
(ii) Provisions		50,945,982		6,625,416
			103,243,569	71,741,236
Net Current Assets			299,653,392	180,848,865
Total			428,366,227	292,588,133

Notes forming part of the Accounts **L**
Schedules 'A' to 'L' form an integral part of the Accounts

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

For and on behalf of the Board Of Directors

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH, 2008		FOR THE YEAR ENDED 31ST MARCH, 2007
		Rs.	Rs.	Rs.
INCOME				
Revenue from Operations		471,630,415		191,750,101
Other Income	H	3,650,755		1,514,518
Total			475,281,170	193,264,619
EXPENDITURE				
Personnel Costs	I	138,717,230		74,542,075
Operating and Other Costs	J	157,969,103		77,297,958
Finance Costs	K	4,637,003		2,923,981
Depreciation / Amortisation		21,971,229		16,613,355
Total			323,294,565	171,377,368
Operating Profit / (Loss) Before Tax			151,986,605	21,887,251
Current Tax			5,100,000	-
Fringe Benefit Tax			1,269,400	1,249,000
Tax Provision for earlier years			30,000	-
Profit / (Loss) After Tax			145,587,205	20,638,251
Balance brought forward from earlier years			100,735,988	149,323,690
Less: Adjustment pursuant to the Scheme of Demerger			-	68,225,953
Balance available for appropriation			246,323,193	101,735,988
APPROPRIATIONS :				
Transfer to General Reserve			14,000,000	1,000,000
Towards Proposed Dividend			29,847,512	-
Towards Provision for tax on Proposed Dividend			5,072,585	-
Balance carried to Balance Sheet			197,403,096	100,735,988
			246,323,193	101,735,988
Earning per Share (Equity Share, par value Rs. 10 each)				
Basic			12.58	1.62
Number of shares used in computing earnings per share			11,568,756	12,748,479
Diluted			10.49	1.28
Number of shares used in computing earnings per share			13,878,756	16,103,479
Notes forming part of the Accounts	L			
Schedules 'A' to 'L' form an integral part of the Accounts				

For **CONTRACTOR, NAYAK & KISHNADWALA**
CHARTERED ACCOUNTANTS

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY



SCHEDULES

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule A		
SHARE CAPITAL		
AUTHORISED		
15,000,000 Equity Shares of Rs 10/- each	150,000,000	150,000,000
(Previous Year 15,000,000 Equity Shares of Rs. 10/- each)		
	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID-UP		
11,568,756 (Previous Year 11,568,756) Equity shares of Rs. 10/- Each fully paid up	115,687,560	115,687,560
(Out of the above 93,63,756 Equity Shares of Rs. 10/- each were allotted as fully paid up to the shareholders of the erstwhile 'Genesys International Corporation Limited' pursuant to the Scheme of Amalgamation approved by the High Court, Mumbai on 6th December, 1999)		
Schedule A-1		
SHARE WARRANTS		
3,355,000 Equity Share Warrants (Previous Year 3,355,000)	6,374,500	6,374,500
Schedule B		
RESERVES & SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	36,000,000	35,000,000
Transferred from Profit & Loss Account	14,000,000	1,000,000
	50,000,000	36,000,000
SECURITIES PREMIUM		
As per last Balance Sheet	5,175,000	287,129,882
Received during the year	-	5,175,000
	5,175,000	292,304,882
Less: Adjustment pursuant to the scheme of Demerger	-	287,129,882
	5,175,000	5,175,000
CAPITAL RESERVE		
	3,505,500	3,505,500
PROFIT & LOSS ACCOUNT		
Total	197,403,097	100,735,988
	256,083,597	145,416,488
Schedule C		
SECURED LOANS		
From Scheduled Banks		
- Towards Packing Credit	33,859,650	24,252,500
- Towards Car Loan (Amount repayable within 1 year is Rs. 387,876)	539,082	857,085
- Towards Term Loan (Amount repayable within 1 year is Rs. 66,66,672)	13,985,082	-
From Others		
- Towards Hire Purchase Loan (Amount repayable within 1 year is Rs. 984,261)	1,836,756	-
Total	50,220,570	25,109,585



SCHEDULES

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

Schedule D

FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	Opening Balance as at 1.04.07	Addition During the year	Sale / Adjustment/ Transfer	Closing Balance as at 31.03.08.	Up to 1.04.07	For the year	On Deduction/ Transfer	Up to 31.03.08	As at 31.03.08	As at 31.03.07
Tangible Assets										
Computer Hardware	84,493,788	27,348,674	-	111,842,462	81,298,635	7,709,556	-	89,008,191	22,834,271	3,195,153
Furniture & Fixtures	22,449,024	979,637	-	23,428,661	8,427,124	2,154,198	-	10,581,322	12,847,339	14,021,900
Office Equipments	5,134,295	2,034,102	170,908	6,997,489	1,257,786	362,057	44,032	1,575,811	5,421,678	3,876,509
Vehicles	2,831,906	557,946	-	3,389,852	825,252	312,489	-	1,137,741	2,252,111	2,006,654
Intangible Assets										
Computer Software	52,015,204	8,846,586	-	60,861,790	44,290,033	9,557,929	-	53,847,962	7,013,828	7,725,171
GIS Database	15,000,000	-	-	15,000,000	7,500,000	1,875,000	-	9,375,000	5,625,000	7,500,000
Total	181,924,217	39,766,945	170,908	221,520,254	143,598,830	21,971,229	44,032	165,526,028	55,994,226	38,325,387
Previous Year	214,061,856	4,857,671	36,995,310	181,924,217	137,763,744	16,613,355	10,778,269	143,598,830	38,325,387	76,298,112



SCHEDULES

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule E		
INVESTMENTS (AT COST)		
Long Term, fully paid up		
Trade Investments - Unquoted		
(a) Investment in Wholly Owned Subsidiary Companies		
- 50000 Ordinary Shares of Rs. 10/- each (Previous Year : Nil); in Iadya Systech Limited	500,000	-
- 11,800 Ordinary Shares (Previous Year : 11,800); £ 1 par value, in Genesys International (UK) Ltd.	964,120	964,120
(b) Other Investments		
2,162,000 Shares (Previous Year : 2,162,000); \$.01 par value, of Image Intelligence, Inc.	69,618,068	69,618,068
Total	71,082,188	70,582,188
Schedule F		
CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(1) Unbilled Revenues	6,471,629	1,700,291
(2) Sundry Debtors (Unsecured)		
Due for more than six months		
Considered good	41,132,549	34,048,342
Considered doubtful	9,666,310	1,770,105
	50,798,859	35,818,447
Less : Provision for Doubtful Debts	9,666,310	1,770,105
	41,132,549	34,048,342
Others - Considered good	130,746,944	39,706,892
	171,879,493	73,755,234
(3) Cash & Bank Balances		
(i) Cash in Hand	367,308	193,164
(ii) Balances with Scheduled banks		
In Current Accounts	71,825,670	92,261,811
In Fixed Deposits Accounts	10,212,410	27,850,908
	82,405,388	120,305,883
(4) Other Current Assets (Unsecured-Considered good)		
Interest Accrued but not due	108,532	-
Total	260,865,042	195,761,408
(B) Loans & Advances (Unsecured - Considered good)		
(i) Advances recoverable in cash or in kind for the value received	9,298,757	840,896
(ii) Loan to other body corporate	36,350,342	-
(iii) Advances to subsidiary company	37,429,200	-
(iv) Prepaid Expenses	4,486,370	2,330,390
(v) Facilities Deposits	51,355,000	51,355,000
(vi) Other Deposits	3,112,250	2,302,407
Total	142,031,919	56,828,693



SCHEDULES

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule G		
Current Liabilities & Provisions		
(a) Current Liabilities		
Sundry Creditors	47,574,194	18,031,939
Advance from customers	-	6,088,713
Unclaimed Dividend	310,215	321,969
Payable for cancellation of Equity Shares	-	39,615,000
Other Liabilities	4,413,178	1,058,199
Total	52,297,587	65,115,820
(b) Provisions		
Provision for Employees Benefits	12,256,216	6,422,416
Proposed Dividend	29,847,512	-
Provision for Taxation (Net of Advance taxes)	3,769,669	203,000
Provision for Tax on Proposed Dividend	5,072,585	-
Total	50,945,982	6,625,416



SCHEDULES

ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2008 Rs.	FOR THE YEAR ENDED 31ST MARCH 2007 Rs.
Schedule H		
OTHER INCOME		
Interest received (Tax Deducted at Source Rs. 472,147 previous year Rs. 130,281)	2,354,964	657,953
Dividend	65,844	822,355
Gains from Securities (Net)	917,164	34,210
Miscellaneous Income	312,783	-
Total	3,650,755	1,514,518
Schedule I		
PERSONNEL COSTS		
Salaries , Allowances & Bonus	128,672,436	69,335,672
Staff Welfare	3,582,246	2,300,267
Contribution to Provident Fund & other funds	6,462,548	2,906,136
Total	138,717,230	74,542,075
Schedule J		
OPERATING AND OTHER COSTS		
Conveyance & Traveling	12,992,602	12,172,448
Legal & Professional Fees	11,796,540	10,306,397
Loss on sale of Fixed Assets	91,877	367,968
Communication Expenses	5,646,309	3,671,714
Electricity and Water Charges	8,425,800	5,270,301
Repairs & Maintenance to Others	4,850,260	3,974,506
Project Expenses	74,944,981	25,784,470
Miscellaneous expenses	26,229,210	9,198,006
Rent	4,495,319	4,815,005
Remuneration to Auditors		
- Statutory Audit	350,000	306,236
- Tax Audit	50,000	39,514
- Other Services	200,000	197,572
Provision for Doubtful Debts	7,896,205	1,193,821
Total	157,969,103	77,297,958
Schedule K		
FINANCE COSTS		
Bank Charges	1,615,363	1,079,718
Interest to Banks		
- On Fixed Loans	485,624	44,984
- On Other Loans	2,536,016	1,799,279
Total	4,637,003	2,923,981

→ SCHEDULES

Schedule L - NOTES TO THE ACCOUNTS

1. Company's Background

Genesys International Corporation Ltd. is engaged in providing Geographical Information Services comprising Photogrammetry, Remote Sensing, Cartography, Data Conversion, related Computer based Services and other related services.

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

2.2 Use of estimates

Preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect reported balance of assets, liabilities, revenues and expense and disclosures relating to contingent liabilities as of the date of financials. Examples of such estimates include estimate of useful life of assets, provision for doubtful debts, income taxes, provision for unbilled revenue, etc. Actual results could differ from these estimates. Differences, if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

2.3 Method of Accounting

Revenues are recognized on accrual basis. Revenue from operations is accounted for on the basis of services rendered and billed to / accepted by clients. Revenue recognized over and above the billing on a customer is classified

as unbilled revenue and is recognized at cost. Interest income is recognized on accrual basis. Dividend income is recognized as and when right to receive payment is established.

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses.

2.4 Fixed Assets

Fixed Assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation. Advances paid towards the acquisition of fixed assets are disclosed under the head advances for capital expenditure.

2.5 Intangible Assets

Direct expenditure incurred for internally developing Assets from which future economic benefits are expected to flow over a period of time is being treated as Intangible asset as per the Accounting Standard on Intangible Assets (AS – 26) issued by the Institute of Chartered Accountants of India.

2.6 Assets taken on lease are accounted as under

2.6.1 Finance Lease

Assets taken on finance lease are accounted for as fixed assets in accordance with Accounting Standard 19 on leases, (AS 19) issued by The Institute of Chartered Accountants of India.

2.6.2 Operating Lease

Assets taken on lease under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expenses on accrual basis

in accordance with the respective lease agreement.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition of the fixed assets are capitalized for the period until the asset is ready for its intended use.

Other borrowing costs are recognized as expense in the period in which they are incurred.

2.8 Depreciation / Amortisation

2.8.1 Tangible Assets

Depreciation is provided using the straight line method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except on computer hardware on which depreciation has been provided based on the useful lives as estimated by the management being 3 to 5 years.

2.8.2 Intangible Assets

Depreciation is provided on computer software using the straight line method based on the useful lives as estimated by the management being 3 to 5 years. GIS database is amortised over a period of 8 years commencing from the year the asset is available for use.

Depreciation/Amortisation is charged on a pro-rata basis for assets purchased /sold during the year with reference to date of installation/disposal. Assets costing below Rs. 5,000/- are fully depreciated in the year of purchase.

2.9 Impairment of Fixed assets

An asset is considered as impaired in accordance with Accounting Standard (AS)-28 on "Impairment of Assets". At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications

that an impairment loss may have occurred, where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

2.10 Investments

Investments are classified as current or long term in accordance with Accounting Standard (AS) -13 on "Accounting for Investments". Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit & Loss account. Long Term Investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of such investments.

2.11 Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates existing at the time of the transactions and exchange differences arising from foreign currency transactions are dealt with in the Profit and Loss Account. Foreign exchange gains or losses relating to the acquisition of fixed assets are charged off to the Profit & Loss Account pursuant to the notification issued by ICAI.

Current assets and current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resulting difference is accounted for in the Profit & Loss Account.

Investments in overseas Subsidiary / other entities are recognized at the relevant exchange rates prevailing on the date of Investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transaction took place. Net Gain / Loss in foreign currency transactions are recognized in the Profit & Loss Account.

Monetary assets and liabilities at the rates prevailing on the balance sheet date.

2.12 Earning per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted at the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

2.13 Taxation

2.13.1 Current Tax

The provision for current tax is made on the basis of tax liability computed after considering the admissible deductions and exemptions under the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under the Income Tax Act, 1961.

2.13.2 Deferred Tax

Deferred tax asset or liability is recognized for reversible timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax asset or liability is recognized only for those timing differences that originate during the tax holiday period but reverse after the tax holiday period.

Deferred tax assets on unabsorbed losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

2.13.3 Fringe Benefit Tax

Provision for Fringe Benefit Tax (FBT) is made on the basis of expenses incurred on employees / other expenses as prescribed under the Income Tax Act, 1961.

2.14 Employee Benefits :

- (a) Provident Fund – The Company makes defined monthly contribution to Provident Fund administered and managed by the Government of India which is recognized in the Profit & Loss Account on accrual basis.
- (b) Gratuity & Leave Encashment – Gratuity & Leave Encashment are defined benefits covering all employees. The liability as at the Balance Sheet date has been provided based on the actuarial valuation carried out in accordance with the Accounting Standard (AS) – 15 "Employee Benefits" (revised 2005).
- (c) Short term employment benefits - The undiscounted amount of all short term employee benefits expected to be paid in exchange for services rendered by employees are recognized as an expense in the profit & loss account during the period when the employee renders the services

2.15 Provisions and Contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a

provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements.

3. Pursuant to the scheme of arrangement (as per Section 391 to 394 of the Companies Act, 1956) sanctioned in the High Court of judicature at Mumbai vide Order dated 7th September, 2007, with effect from 01st April, 2006 the business of Engineering and Information Technology Division has been transferred and demerged into M/s GI Engineering Solutions Ltd., the Resulting Company. Effects of the order passed by the High Court of Judicature, Mumbai have already been given in the annual accounts for the previous financial year 2006-07.

4. Contingent Liabilities

Guarantees given by Bank on behalf of the Company are Rs. 6,739,270/- (Previous year Rs. 5,183,000/-). The guarantees are secured by Fixed Deposits worth Rs. 2,580,872/- (Previous year Rs. 3,371,126/-).

5. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances is Rs. NIL/- (Previous year Rs. 11,248,890/-).

6. The Company has obtained Post Shipment Line of Credit and Term Loan from State Bank of India. The amount, which is due within 1 year from the date of Balance Sheet towards Post Shipment Line of Credit is Rs. 33,859,650/- (Previous Year Rs. 24,252,500/-) and Term Loan is Rs. 6,666,672/- (Previous Year Rs. Nil).

Post Shipment Line of Credit facility is Secured by Hypothecation of entire current assets and Export Bills and further secured by

- Hypothecation of all existing and future movable and immovable equipments, Fixtures and all other assets owned by the company.
- Lien on Short Term Deposit Receipt of Rs. 7,533,426/- (Previous year Rs. 7,161,027/-)
- Personal guarantees of Whole-time director, Managing Director and Executive Director of the company.
- Pledge of Promoter Shares having a Market Value of Rs. 13,107,317/- (Previous year Rs. 7,487,088/-) as on 31st March, 2008.

Term Loan facility is secured by hypothecation of the fixed assets acquired from the term loan amount.

The Company has obtained car loan from one of the Scheduled bank and it is secured by hypothecation of the car.

The Company has entered into finance lease with Hewlett Packard towards purchase of Computer Software and Hardware and it is secured by the hypothecation of relevant assets purchased under finance agreement.

7. Leases

a) The Company has taken a Car and Computer Software & Hardware under finance lease. Lease rentals payable in respect of these leases are as follows:

Period	As at March31, 2008 Rs.	As at March 31, 2007 Rs.
Not later than 1 year	1,372,137	387,876
Later than 1 year but not later than 5 years	1,294,034	581,814

b) The Company has operating lease arrangements in respect of computers. The aggregate of lease rentals payable on

these lease arrangements are charged as computer hiring charges under Operating and other costs in schedule J.

The Company has placed a refundable deposit of Rs. 277,854/- (Previous year Rs. 277,854/-) in respect of these leasing arrangements. Future lease rentals payable in respect these lease are as follows:

Period	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Not later than 1 year	6,801,981	7,879,416
Later than 1 year but not later than 5 years	4,161,871	10,695,986

8. Particulars of Remuneration to Managing Director, Executive Director, Whole Time Director and Non Executive Director :

	For the year 31 st March 2008 Rs.	For the year 31 st March 2007 Rs.
Managing Director		
Salary & Allowances	4,747,025	1,215,000
Executive Director		
Salary & Allowances	4,240,693	-
Whole-Time Director		
Salary & Allowances	975,000	975,000
Non-Executive Director		
Commission	1,400,000	-

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 and calculation of commission payable to Non-Executive Director :

Particulars	Year Ended March 31, 2008 Rs.
Profit after Tax	145,587,205
Add :	
Managerial Remuneration	11,362,718
Provision for Doubtful Debts	7,896,205
Loss on sale of Fixed Assets	91,877
Provision for Taxation	6,399,400
Total	171,337,405
Less :	
Gain from Mutual Fund Investment	917,164
Net Profit in accordance with section 349 of the Companies Act, 1956	170,420,241
Commission payable @ 1% of the net profit	1,704,202
Commission to Non-Executive Director restricted to	1,400,000

9. Details of Investments purchased and sold during the year:

Name of the Mutual Fund	No. Of Units	
	2007 – 2008	2006 – 2007
HDFC Liquid Fund – Dividend Reinvestment	1,382,963	1,249,133
HDFC Liquid Fund - Growth Plan	1,616,107	-
SBI – Magnum Insta Cash Fund – Cash Option	384,788	-
SBI – Premier Liquid Fund - Institutional – Growth	1,755,358	-
LIC - Liquid Fund - Growth Plan	2,136,331	747,999
SBI – Magnum Institutional Income Fund – Dividend	-	504,171
SBI – Magnum Institutional Income Fund – Growth	-	210,972
LIC – Liquid Fund – Dividend Plan	-	1,272,975
UTI – Liquid Cash Plan – Growth	-	4,145
ICICI – Liquid Cash Plan – Growth	-	138,531
Total	7,275,547	4,127,926

10. Employee Benefits :

(I) Post-employment benefits plans

(a) Defined Contribution Plans –

In respect of the defined contribution plans, an amount of Rs. 4,617,065/- has been recognized in the Profit & Loss account for the year.

(b) Defined Benefit Plans –

(i) The liability in respect of gratuity and leave encashment is determined as per actuarial valuation carried out as at Balance Sheet date. The present value of the obligation under such plan is determined using the projected unit credit method. Actuarial gains and losses are recognized in the Profit & Loss account for the period in which they occur.

(ii) Principal actuarial assumptions :

Particulars	Gratuity	Leave Encashment
Discount rate	8% p.a.	8% p.a.
Rate of Return on Plan Assets	8% p.a.	8% p.a.
Salary Escalation	8% p.a.	8% p.a.

(iii) Reconciliation of Benefit Obligation :

Particulars	Gratuity Rs.	Leave Encashment Rs.
Liability at the beginning of the year	2,644,070	3,778,346
Interest Cost	211,526	302,268
Current Service Cost	1,527,979	671,072
Benefit Paid	889,493	886,156
Actuarial (Gain)/ Loss on Obligations	5,152,228	(255,624)
Amount recognised and disclosed under the head "Provision for Employees Benefits"	8,646,310	3,609,906

(iv) Expenses recognised in the Profit & Loss Account under the head Personnel Expenses:

Particulars	Gratuity Rs.	Leave Encashment Rs.
Current Service Cost	1,527,979	671,072
Interest Cost	211,526	302,268
Net Actuarial (Gain)/ Loss recognized	5,152,228	(255,624)
Expenses recognised in Profit and Loss account	6,891,733	717,716

(v) Details of provision for employee benefits recognized in the Balance Sheet :

Particulars	Gratuity Rs.	Leave Encashment Rs.
Liability at the end of the year	8,646,310	3,609,906
Fair Value of Plan assets at the end of the year	-	-
Difference	8,646,310	3,609,906
Amount in the Balance Sheet	8,646,310	3,609,906

This being the first year of disclosure, previous years figures have not been furnished.

11. Disclosure requirements as per the Accounting Standard – 18 (AS – 18) “Related Party Disclosure” issued by the Institute of Chartered Accountants of India.

List of Related Parties:-

A. Subsidiary Companies

M/s Genesys International (UK) Limited

M/s Aerial Surveyor Limited

M/s ladya Systech Limited

B. Key Management Personnel

Name of Personnel

Mr. Sajid Malik

Mrs. Saroja Malik

Mr. Sohel Malik

Col. J. Jacob

Designation

Managing Director

Whole-time Director

Executive Director

Director – Photogrammetry & GIS

C. Principal Shareholder

M/s Kilam Holdings Ltd.

D. Associate Enterprises

Genesys Enterprises Inc.

GI Engineering Solutions Ltd.

Details of Transactions with related parties are as follows:

(Amount in Rs.)

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Transactions during the year and Closing balances		
Sales to Associate Enterprise		
Genesys Enterprises Inc. USA	-	2,196,293
Advance Given to Subsidiary		
ladya Systech Limited	37,429,200	-
Advance to Associate Enterprise		
GI Engineering Solutions Limited	6,157,862	-
Closing Balance		
Amount recoverable from Subsidiary		
Aerial Surveyor Ltd.	3,334,825	4,448,445
ladya Systech Limited	37,429,200	-
Total:	40,764,025	4,448,445
Amount recoverable from Associate Enterprise		
Genesys Enterprises Inc., USA	2,901,151	3,169,097
GI Engineering Solutions Limited	6,157,862	-
Total:	9,059,013	3,169,097
Amount payable to Associate Enterprise		
Genesys Enterprises Inc., USA	1,232,484	1,239,255
Equity Contribution in Subsidiary		
ladya Systech Limited	500,000	-
Genesys International (UK) Ltd.	-	88,240
Total:	500,000	88,240
Remuneration to Key Managerial Personnel:		
Mr. Sajid Malik	4,747,025	1,215,000
Mrs. Saroja Malik	975,000	975,000
Col. J. Jacob	2,400,000	2,400,000
Mr. Sohel Malik	4,240,693	-
	12,362,718	4,590,000

12. (a) Provision of Rs. 51,30,000 (includes provision of Rs. 30000/- for previous Year) towards Minimum Alternate Tax (MAT) payable under section 115JB of Income Tax Act, 1961 has been made. The MAT paid by the company for the current year is allowed to be carried forward for a period upto next 7 years to be adjusted against the normal tax payable, if any, in those years.
- (b) In accordance with the Accounting Standard – 22 (AS – 22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India which became mandatory from 1st April 2001, the Company has considered the effect of timing differences and accordingly accounted for Deferred Tax.

The Company's operations are entitled to a tax holiday under Section 10 A. Deferred Tax Assets and Liabilities as at the balance sheet date resulting from timing differences between book profit and tax profit are not considered

to the extent they are expected to get reversed within the tax holiday period. The break-up of net deferred tax assets/(liability) is as under -

Particulars	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Deferred Tax Assets		
Unabsorbed Losses	-	1,850,134
Provision for Employee Benefits	4,165,888	2,161,785
Provision for Doubtful Debts	3,285,579	595,817
	7,451,467	4,607,736
Deferred Tax Liability		
Fixed Assets (Depreciation/Amortization)	6,057,839	3,309,551
Net Deferred Tax (Liability)/Assets	1,393,628	1,298,185

Deferred Tax Assets arising on account of provisions for Employees Benefits and Doubtful Debts are not recognized in the absence of virtual certainty of future taxable income after tax holiday period against which deferred tax assets can be set off.

13. Earnings per share:

Particulars	As at March 31, 2008	As at March 31, 2007
Number of Equity Shares	11,568,756	11,568,756
Number of Equity Shares after potential dilution	13,878,756	16,103,479
Weighted average number of Equity outstanding during the year	11,568,756	12,748,479
Net Profit after tax	Rs. 145,587,205	Rs. 20,638,251
Basic EPS	Rs. 12.58	Rs. 1.62
Diluted EPS	Rs. 10.49	Rs. 1.28
Nominal Value of shares	Rs. 10	Rs. 10

14. (a) The Company operates only in single Primary Segment i.e. GIS based services for the purpose of AS – 17 Segmental reporting.
(b) The disclosure requirement for Secondary Segment as per the Accounting Standard 17 is as under:

SECONDARY SEGMENT (Geographical Segment based on Sales Continentwise)

Segment Revenue	2007 – 2008 Rs.	2006 – 2007 Rs.
North America	353,948,428	152,497,841
Europe	104,651,640	30,284,188
Middle East	15,697	982,280
Austral Asia	13,181,393	5,374,798
Asia	(166,743)	2,610,994
Total Revenue from Operations	471,630,415	191,750,101

15. Earnings in Foreign Exchange: (At actuals)

	For the year 31st March 2008 Rs.	For the year 31st March 2007 Rs.
Revenue from Operations	359,660,990	228,982,511

16. Expenditure Incurred in Foreign Currency: (At actuals)

	For the year 31st March 2008 Rs.	For the year 31st March 2007 Rs.
a) Salary	4,237,000	1,894,894
b) Travelling Expenses	5,719,476	4,863,190
c) Other Expenses	31,938,474	12,215,048

17. Value of Imports (CIF basis): (At actuals)

	For the year 31st March 2008 Rs.	For the year 31st March 2007 Rs.
Capital Goods	24,059,816	761,322
Software Packages	5,475,169	910,589

18. Exchange Differences

During the year, realized and unrealized exchange loss amounting to Rs. 2,524,327/- (Previous Year exchange gain of Rs. 3,071,745/-) is included in the financial statements.

19. The Company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to amounts unpaid as at the year end have not been given.
20. During the year, the Company has acquired 100% stake in ladya Systech Limited.
21. The Balance Sheet of the foreign subsidiary companies reflects diminution in the net worth after considering the losses incurred in earlier years. However the Company continues to value the investments at cost. In the opinion of the management, provision for diminution is not required in view of the long term nature of investments and future business plans of the subsidiary companies.
22. The Company is engaged in the business of rendering computer-based services. The development and sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act 1956.
23. Figures for previous year have been re-grouped/re-classified wherever necessary to conform to current year's presentation.

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

SAROJ MANIAR
PARTNER
Membership No. 40803

MUMBAI: 18th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	31ST MARCH, 2008		31ST MARCH, 2007	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax and extraordinary items		145,587,205		20,638,251
Adjustments for:				
Depreciation and amortisation	21,971,229		16,613,355	
Interest & Dividend/Gains from securities	(3,337,972)		(1,514,518)	
Loss on Sale of Fixed Asset	91,877		367,968	
Fringe Benefit Tax	1,269,400		1,249,000	
Provision for Current Tax	5,100,000		-	
Tax Provision for Earlier Years	30,000		-	
Provision for Doubtful Debts	7,896,205		1,193,821	
Interest Paid	3,021,640		1,844,263	
Unrealised Loss	3,206,149	39,248,528	(1,330,503)	18,423,385
Operating Profit before working capital changes		184,835,733		39,061,637
Adjustments for:				
Trade and other receivables	(120,847,768)		69,230,143	
Work in Progress	(4,771,338)		386,152	
Liabilities	(7,478,724)	(133,097,830)	43,845,067	113,461,362
CASH GENERATED FROM OPERATIONS		51,737,903		152,522,999
Taxes (Paid) / Refund		(2,249,500)		(3,274,022)
NET CASH FLOW FROM OPERATING ACTIVITIES		49,488,403		149,248,977
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (Including Capital Advances)	(38,571,674)		(7,689,364)	
Sale of Fixed Assets	35,000		325,000	
Interest & Dividend/Gains from securities	3,337,972		1,514,518	
Investments	-		(69,618,068)	
Advances to Subsidiary Company - Iadya Systech Ltd	(37,429,200)		-	
Loan to other body corporates	(36,350,342)		-	
Investments in Subsidiary Company	(500,000)		(88,240)	
NET CASH USED IN INVESTING ACTIVITIES		(109,478,244)		(75,556,153)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	-		10,925,000	
Proceeds from Issue of Share Warrants	-		6,374,500	
Net Proceeds / (Repayment) from / of Secured Loans	25,110,986		2,732,585	
Net Proceeds / (Repayment) from / of Unsecured Loans	-		-	
Transfer of bank balance pursuant to the scheme of Demerger	-		(58,762,000)	
Capital Reserve on cancellation of Equity Share Warrants	-		3,505,500	
Interest Paid	(3,021,640)		(1,844,263)	
NET CASH FLOW FROM FINANCING ACTIVITIES		22,089,345		(37,068,678)
NET INCREASE IN CASH & CASH EQUIVALENTS		(37,900,496)		36,624,146
CASH & CASH EQUIVALENTS (OPENING BALANCE)		120,305,884		83,681,738
CASH & CASH EQUIVALENTS (CLOSING BALANCE)		82,405,388		120,305,884

This is the Cash Flow statement referred to in our report of even date.

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Registration Details

Registration No. 2 9 1 9 7
 Balance Sheet Date 3 1 0 3 2 0 0 8
 Date Month Year

State Code 1 1

Capital raised during the year (Amount in Rs. Thousand)

Public Issue N I L Rights Issue N I L
 Bonus Issue N I L Private Placement N I L

Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities 4 2 8 3 6 6 Total Assets 4 2 8 3 6 6

Sources of Funds

Paid-up Capital 1 1 5 6 8 8 Reserves & Surplus 2 5 6 0 8 3
 Equity Share Warrant 6 3 7 5
 Secured Loans 5 0 2 2 0

Application of Funds

Net Fixed Assets 5 7 6 3 1 Investments 7 1 0 8 2
 Net Current Assets 2 9 9 6 5 3 Misc. Expenditure N I L
 Accumulated Losses N I L Deferred Tax Liability N I L

Performance of Company (Amount in Rs. Thousand)

Turnover 4 7 5 2 8 1 Total Expenditure 3 2 3 2 9 4
 Profit / Loss before tax 1 5 1 9 8 7 Profit / Loss after tax 1 4 5 5 8 7
 Earning per share in Rs. Dividend % 2 0
 --- Basic 1 2 . 5 8
 --- Dilutive 1 0 . 4 9

Generic Names of three Principal Products / Services of Company (as per monetary terms)

Item Code No (ITC Code) : 8 5 2 4 9 9 0 4 . 9 0
 Product Description : C O M P U T E R S O F T W A R E

For and on behalf of the Board Of Directors

SAJID MALIK	MANAGING DIRECTOR
HEMANT MAJETHIA	DIRECTOR
GANAPATHY VISHWANATHAN	DIRECTOR
PANKAJ BAHAL	COMPANY SECRETARY

MUMBAI: 18th August, 2008

→ STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary	Iadya Systech Limited	Genesys International (UK) Limited	Aerial Surveyor Limited
	INR	GBP	GBP
Financial year of the Subsidiary Company ended on	31st March 2008	31st March 2008	31st March 2008
Holding Company's Interest			
Number of shares	50,000 Equity Shares	11,800 Ordinary Shares	2 Ordinary Shares
Extent of holding	100%	100%	100%
Net aggregate amount of the subsidiary's profits/(Losses) so far as it concerns members of the holding Company and is not dealt with in the Holding Company's accounts			
(i) for the financial year of the subsidiary	(26,794)	(809)	10,144
(ii) for the previous financial years of the subsidiary since it become the Holding Company's subsidiary	N. A.*	(18,044)	(59,229)
Net aggregate amount of the profits/(Losses) of the subsidiary dealt with the Company's accounts			
(I) for the financial year of the subsidiary	NIL	NIL	NIL
(ii) for the previous financial years of the subsidiary since it become the Holding Company's subsidiary	N. A.*	NIL	NIL

* Since it became wholly owned subsidiary w.e.f. 20th February, 2008.

MUMBAI: 18th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK

MANAGING DIRECTOR

HEMANT MAJETHIA

DIRECTOR

GANAPATHY VISHWANATHAN

DIRECTOR

PANKAJ BAHAL

COMPANY SECRETARY



COMPANY INFORMATION

DIRECTORS

Mr. S Malik

SECRETARY

R Shah & Co Ltd

COMPANY NUMBER

4838989

REGISTERED OFFICE

470a Green Lanes
Palmers Green
London N13 5PA, UK

AUDITORS

N Shah & Co
470a Green Lanes
Palmers Green
London N13 5PA, UK

BANKERS

HSBC
56 High Street
Coalville
Leicester
Lecestetshire
LE67 3EN, UK

➔ REPORT OF THE DIRECTOR

The Director presents and reports the financial statements of the company for the year ended 31st March 2008.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company in the year under review was that of a holding company and as well as supplying support services to related parties. Aerial Surveyor Limited is the wholly owned subsidiary. The principal activity of Aerial Surveyor Limited in the period under review was that of providing digital imaging services.

DIRECTOR

Mr S Malik was the sole director during the year under review. He did not hold any beneficial interest in the issued share capital of the company at 1st April 2007 or 31st March 2008.

STATEMENT OF DIRECTOR'S RESPONSIBILITY

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently

- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

AUDITORS

The Auditors, N Shah & Co, will be proposed for reappointment in accordance with S.385 of the Companies Act 1985.

This report was approved by the board on 20th June, 2008 and signed on its behalf.

S MALIK
DIRECTOR



REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF GENESYS INTERNATIONAL (UK) LIMITED

We have audited the financial statements of GENESYS INTERNATIONAL (UK) LIMITED for the year ended 31st March 2008 on pages 54 to 60. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page two the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom accounting Standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared with the Companies Act 1985. We also report to you if in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding directors remuneration and transaction with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2008 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

N Shah & Co.	Chartered Certified Accountants and
470a Green Lanes	Registered Auditors
Palmers Green	
London. N13 5PA	Date : 7 th July 2008



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2008

	Notes	£ 2008	£ 2007
TURNOVER	1	-	-
Less Cost of Sales		-	-
GROSS PROFIT		-	-
Administrative Expenses		809	1,994
OPERATING PROFIT/(LOSS)		(809)	(1,994)
Interest Receivable and Similar Income		-	17
		(809)	(1,977)
Interest Payable and Similar Income		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(809)	(1,977)
Tax on Ordinary Activities	4	-	-
Profit/(Loss) for the Financial Year after Taxation		(809)	(1,977)
CONTINUING OPERATIONS			
None of the company's activities were acquired or discontinued during the current year			
TOTAL RECOGNISED GAINS AND LOSSES			
The company has no recognised gains or losses other than the loss for the current year			



BALANCE SHEET

AS AT 31ST MARCH 2008

	Notes	£	
		2008	2007
FIXED ASSETS			
Investments	7	20	20
CURRENT ASSETS			
Debtors	5	620	441
Cash In Hand		-	227
		620	668
CREDITORS: Amounts falling due within one year			
	6	7,693	(7,073)
		6,932	(6,264)
TOTAL ASSETS LESS CURRENT LIABILITIES		(7,053)	(6,244)
FINANCED BY			
Share Capital	8	11,800	11,800
Profit and Loss Account		(18,853)	(18,044)
Shareholders Fund	12	(7,053)	(6,244)

ON BEHALF OF THE BOARD**S Malik**

Approved by the Board on 20th June, 2008



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2008

	Notes	£ 31.03.08	£ 31.03.07
Net Cash Inflow from operating activities	1	(362)	(2,174)
Returns on Investment and servicing of finance	2	-	17
Capital Expenditure and Financial investment	2	(362)	(2,157)
Issue of Additional Shares		-	1,000
(Decrease)/Increase in cash in the year		(362)	(1,157)
Reconciliation of net cash Flow to movement in net funds (Decrease)/Increase in cash in the year	3	(362)	(1,157)
Change in net funds resulting from cash flows		(362)	(1,157)
Movements in net funds in the year		(362)	(1,157)
Net Funds as at 1st April		227	1,384
Net(debt)/funds at 31st March		(135)	227

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2008

1 RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET CASH (OUTFLOW FROM OPERATING ACTIVITIES)

	£	£
	31.03.08	31.03.07
Operating profit/(Loss)	(809)	(1,994)
Depreciation Charges	-	-
Decrease/(increase) in Stocks	-	-
Decrease/(increase) in Debtors	(179)	(180)
(Decrease)/Increase in Creditors	626	-
NET CASH INFLOW FROM OPERATING ACTIVITIES	(362)	(2,174)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENTS

	31.03.08	31.03.07
Return on Investments and Servicing of finance		
Interest Received	-	17
Net Cash Inflow/Outflow for returns on investment and servicing of finance	-	17
Capital expenditure and financial investment		
Cash Payment- investment purchase	-	-
Net cash outflow for Capital expenditure	-	-

3 ANALYSIS OF CHANGES IN NET FUNDS

	At		At
	01.04.07	cash Flow	31.03.08
	£	£	£
Net Cash			
Cash at Bank and in Hand	227	(362)	(135)
Total	227	(362)	(135)
Analysed in Balance Sheet			
Cash at bank and in Hand	227		(135)
	227		(135)



NOTES TO THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2008

1 Accounting Policies

- 1.1** The financial statements are prepared under the historical cost convention.
- 1.2** Turnover comprises the invoiced value of goods and services supplied by the company, net of value added Tax and trade discounts.
- 1.5 Deferred Taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

1.6 Foreign Currencies

Assets and Liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 STAFF COSTS	£	£
	2008	2007
Salaries	-	-
The Average monthly number of employees during the year was as follows:-		
Administration	-	-
3 OPERATING LOSS		
The operating loss is stated after charging :		
Auditors Remuneration	450	1,000
4 TAXATION		
UK current taxation @20%	-	-
No Liability to UK corporation tax arose on ordinary activities for the year ended 31st March 2008 nor for the previous year.		
5 DEBTORS		
Other Debtors	620	441
	620	441
6 CREDITORS: amounts falling due within one year:-		
Trade Creditor	1,008	1,008
Bank Overdraft	135	-
Payable to Group undertakings	6,100	4,924
Accruals	450	1,000
	7,693	6,932

GENESYS INTERNATIONAL (UK) LIMITED

	£	£ Total
7 FIXED ASSET INVESTMENT		
COST		
Balance B/F AS AT 01.04.07	20	20
Additions	-	-
Disposals	-	-
Balance C/F AS AT 31.03.08	20	20
Unlisted Investments	20	20

The company's investment at the balance sheet date in the share capital of unlisted companies include the following:

Aerial Surveyor Limited

Nature of the Business: Digital Imaging Services

	%
Class of Share	Holding
Ordinary	100
Share Capital(Ordinary share of £1 each)	£2
Profit & Loss Reserve	- £49,085
Profit for the Year	£10,144

GEODC Limited

Nature of the Business: Digital mapping services

	%
Class of Shares	holding
Ordinary	18

The company does not consider Geodc Limited to be either its subsidiary or an associated company.

	£ 2008	£ 2007
8 CALLED UP SHARE CAPITAL		
Authorised		
25000 Ordinary Shares of £1 each	25,000	25,000
Issued		
11800 Ordinary Shares of £1 each	11,800	11,800

9 Statement of movement on profit and loss account

	£
	Profit and Loss Account
Balance as at 01.04.07	(18,044)
Loss for the year	(809)
Balance as at 31.03.08	(18,853)

10 ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Genesys International Corporation Limited, a company incorporated in India

11 RELATED PARTY DISCLOSURES

There were no related party transactions during the year.

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£	£
	2008	2007
Profit/(Loss) for the Financial Year	(809)	(1,977)
Issue of Additional Shares	-	1,000
Opening Shareholders Fund	(6,244)	(5,267)
Closing Shareholders Fund	(7,053)	(6,244)

13 CONTROLLING PARTY

Genesys International Corporation Limited (India) is the controlling Party



COMPANY INFORMATION

DIRECTORS

Mr O Hemrajani

SECRETARY

R Shah & Co Ltd

COMPANY NUMBER

4657362

REGISTERED OFFICE

470a Green Lanes
Palmers Greem
London N13 5PA, UK

AUDITORS

N Shah & Co
470a Green Lanes
Palmers Greem
London N13 5PA, UK

BANKERS

HSBC Bank Plc
High Street
Coalville
Leicester
Lecestetshire
LE67 3EN, UK

➔ REPORT OF THE DIRECTOR

The Director presents and reports the financial statements of the company for the year ended 31st March 2008.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of providing digital imaging services.

DIRECTOR

The Directors during the year under review were:-

Mr O Hemrajani

STATEMENT OF DIRECTOR'S RESPONSIBILITY

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

AUDITORS

The Auditors, N Shah & Co, will be proposed for reappointment in accordance with S.385 of the Companies Act 1985.

This report was approved by the board on 20th June, 2008 and signed on its behalf.

O Hemrajani
DIRECTOR



REPORT OF THE INDEPENDENT AUDITORS

TO THE SHAREHOLDERS OF AERIAL SURVEYOR LIMITED

We have audited the financial statements of AERIAL SURVEYOR LIMITED for the year ended 31st March 2008 on pages four to eleven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2 the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom accounting Standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared with the Companies Act 1985. We also report to you if in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding directors remuneration and transaction with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

N Shah & Co.
Chartered Certified Accountants and

470a Green Lanes
Registered Auditors
Palmers Green
London. N13 5PA
Date 7th July, 2008



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2008

	Notes	£ 2008	£ 2007
TURNOVER	1	15,000	6,500
Less Cost of Sales		-	64
GROSS PROFIT		15,000	6,436
Administrative Expenses		4,972	(777)
OPERATING PROFIT		10,028	7,213
Interest Receivable and Similar Income		116	41
		10,144	7,254
Interest Payable and Similar Income	3	-	13
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,144	7,241
Tax on Ordinary Activities	4	-	-
Profit for the Financial Year after Taxation		10,144	7,241
CONTINUING OPERATIONS			
None of the company's activities were acquired or discontinued during the current year.			
TOTAL RECOGNISED GAINS AND LOSSES			
The company has no recognised gains or losses other than the profit for the current year.			



BALANCE SHEET

AS AT 31ST MARCH 2008

	Notes	£ 2008	£ 2007
FIXED ASSETS			
Tangible Assets	5	2	2
Intangible Assets	6	4,095	8,192
		4,097	8,194
CURRENT ASSETS			
Debtors	7	11,175	-
Cash In Hand		409	7,693
		11,584	7,693
CREDITORS: Amounts falling			
due within one year	8	27,029 (15,445)	27,378 (19,685)
TOTAL ASSETS LESS CURRENT LIABILITIES		(11,348)	(11,491)
CREDITORS: Amounts falling due after more than one year	9	37,735	47,736
		(49,083)	(59,227)
FINANCED BY			
Share Capital	10	2	2
Profit and Loss Account		(49,085)	(59,229)
Shareholders Fund	14	(49,083)	(59,227)

ON BEHALF OF THE BOARD

O Hemrajani

Approved by the Board on 20th June, 2008



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2008

	Notes	£ 31.03.08	£ 31.03.07
Net Cash Inflow from operating activities	1	(7,400)	7,631
Returns on Investment and servicing of finance	2	116	28
Capital Expenditure	2	-	-
		(7,284)	7,659
Financing	2	-	-
(Decrease)/Increase in cash in the year		(7,284)	7,659
Reconciliation of net cash Flow to movement in net funds			
(Decrease)/Increase in cash in the year	3	(7,284)	7,659
Change in net funds resulting from cash flows		(7,284)	7,659
Movements in net funds in the year		(7,284)	7,659
Net Funds as at 1st April		7,693	34
Net(debt)/funds at 31st March		409	7,693

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2008

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING

ACTIVITIES	£ 31.03.08	£ 31.03.07
Operating Profit	10,028	7,213
Deprecation Charges	4,097	7,363
Decrease/(increase) in Stocks	-	-
Decrease/(increase) in Debtors	(11,763)	1,822
(Decrease)/Increase in Creditors	(9,762)	(8,767)
NET CASH INFLOW FROM OPERATING ACTIVITIES	(7,400)	7,631

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW

STATEMENTS		
Return on Investments and Servicing of finance		
Interest Received	116	41
Interest Paid	-	(13)
Net Cash Inflow/Outflow for returns on investment and servicing of finance	116	28
Capital expenditure		
Purchase of Intangible Fixed assets	-	-
Purchase of Tangible Assets	-	-
Net cash outflow for Capital expenditure	-	-
Financing		
Amount withdrawn by directors	-	-
Net cash(outflow)/inflow from financing	-	-

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 01.04.07 £	cash Flow £	At 31.03.08 £
Net Cash			
Cash at Bank and in Hand	7,693	(7,284)	409
Total	7,693	(7,284)	409
Analysed in Balance Sheet			
Cash at bank and in Hand	7,693		409
Bank Overdraft	-		-
	7,693		409



NOTES TO THE FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2008

1 ACCOUNTING POLICIES

- 1.1** The financial statements are prepared under the historical cost convention.
- 1.2** Turnover comprises the invoiced value of goods and services supplied by the company, net of value added Tax and trade discounts.
- 1.3** Tangible fixed assets are stated at cost or valuation less Depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation off fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and Equipment	25% on Cost
Furniture & Equipment	25% on Cost
Computer Equipment	25% on Cost

1.4 Intangible Assets

Depreciations is provided at the following annual rate in order to write off the cost of intellectual property over its estimated useful life.

Patents & Licences	Straight line - 5 Years.
--------------------	--------------------------

1.5 Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

1.6 Foreign Currencies

Assets and Liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 Operating Profit	£	£
The operating profit is stated after charging :	2008	2007
Depreciation of Tangible Assets	-	3,265
Depreciation of Intangible Assets	4,097	4,097
Auditors Remuneration	825	1,000
3 Interest Payable and Similar Charges Bank Interest	-	41
4 Taxation		
UK current taxation @20%	-	-

5 TANGIBLE FIXED ASSETS	Plant and Equipment ETC £	Total £
COST		
Balance B/F	14,483	14,483
Additions	-	-
Disposals £	-	-
Balance C/F	14,483	14,483
DEPRECIATION		
Balance B/F	14,481	14,481
Disposal Depreciation Charge	-	-
Charge for the year	-	-
Balance C/F	14,481	14,481
NET BOOK VALUE		
As at 31.03.08	2	2
As at 31.03.07	2	2
6 INTANGIBLE FIXED ASSETS	Patents and Licences ETC £	Total £
COST		
Balance B/F	20,483	20,483
Additions	-	-
Disposals	-	-
Balance C/F	20,483	20,483
DEPRECIATION		
Balance B/F	12,291	12,291
Disposal Depreciation Charge	-	-
Charge for the year	4,097	4,097
Balance C/F	16,388	16,388
NET BOOK VALUE		
As at 31.03.08	4,095	4,095
As at 31.03.07	8,192	8,192

Patents and Licences includes the ownership of the licence held by the company of a digital dataset. The Licence is owned by the company under the following terms:

The company is allowed to make £30,000 gross from the sale of the Digital Dataset and thereafter has to pay a royalty of 25% of gross income of any revenue generated from sales.

7 DEBTORS	2008	2007
	£	£
Trade Debtors	10,000	-
Other Debtors	1,175	-
	11,175	-
8 CREDITORS: amounts falling due within one year:-		
Trade Creditor	11,494	11,494
Other Creditor	588	588
Other Taxes & Social security	11,297	11,471
Accruals	3,650	3,825
	27,029	27,378
9 CREDITORS: amounts falling due after more than one year:		
Payable to Group undertaking	37,735	47,736
	37,735	47,736
10 CALLED UP SHARE CAPITAL		
Authorised		
1000 Ordinary Shares of £1 each	1,000	1,000
Issued - 2 Ordinary Shares of £1 each	2	2
11 Statement of movement on profit and loss account	Profit and Loss Account	
		£
Balance as at 01.04.07		(59,229)
Profit for the year		10,144
Balance as at 31.03.08		(49,085)
12 ULTIMATE PARENT COMPANY		
Genesys International Corporation Limited (India) is the ultimate parent company.		
13 RELATED PARTY DISCLOSURES		
There were no related party transactions during the current year.		
13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
	2008	2007
	£	£
Profit/(Loss) for the Financial Year	10,144	7,241
Opening Shareholders Fund	(59,227)	(66,468)
Closing Shareholders Fund	(49,083)	(59,227)
14 CONTROLLING PARTY		
Genesys International (UK) Limited is the controlling Party		

→ DIRECTORS' REPORT

Dear Members,

It gives us great pleasure to present our Report on the business and operations of the Company for the year ended 31st March 2008.

Financial Highlights

The highlights of the financial results of the Company for the year ended 31st March 2008 are summarized as under:

Particulars	(Rs. in Lakhs)	
	Year ended 31 st March 2008	Year ended 31 st March 2007
Gross Income	0.02	NIL
Expenditure	0.21	0.07
Operating Profit / (Loss) before Depreciation, Amortization and tax	(0.19)	(0.07)
Less: Depreciation and amortization	0.08	0.05
Operating Profit / (Loss) before tax	(0.27)	(0.12)
Profit/(Loss) after tax	(0.27)	(0.12)

Change in Control and status

Your Company was incorporated as a Private Limited Company with a Paid up Equity Share Capital of Rs. 1,00,000/-.

Since the business operations of your Company were stagnant and no new business was in the pipeline, the erstwhile Promoters of your Company decided to sell off their entire stake in the Company.

The present Promoters of the Company have the financial, technological capability, requisite expertise and experience in carrying out the business of the Company and also envisage carrying out the business on a larger scale.

The New Management of the Company thought it fit to convert the Company from Private Limited Company to a Public Limited Company and make it subsidiary of Genesys International Corporation Ltd (GICL) in order to raise adequate fund for financing the expansions plans / projects of the Company.

Dividend

Your Directors do not recommend the payment of dividend.

Share Capital

During the year under review, your Company issued 40,000 Equity Shares of Rs. 10/- each to Mr. Sajid Malik, Promoter and Director of the Company.

The New Management of the Company transferred its entire shareholding in favour of GICL in order to make the Company as the Wholly Owned Subsidiary Company of GICL.

The Paid up Equity Share Capital of your Company as on March 31, 2008 comprises of 50,000 Equity Shares of Rs. 10/- each.

Directors

During the year under review, Mr. Bhavin Parekh and Mr. Sumit Kumar resigned from the Office of Director.

Mr. Sajid Malik, Mrs. Saroja Malik and Mr. Ganapathy Vishwanathan were appointed as Additional Directors of the

Company in accordance with the provisions of Section 260 of the Companies Act, 1956. They hold Office upto the date of forthcoming Annual General Meeting and are eligible for appointment.

The Company has received Notice under Section 257 of the Companies Act, 1956 together with requisite deposit proposing the candidature of the said Directors.

Auditors

During the year under review, M/s. Kalpesh Sanghvi & Co. Chartered Accountants resigned from the Office of Auditors of the Company.

M/s Contractor, Nayak and Kishnadwala, Chartered Accountants were appointed as the Statutory Auditors of the Company, by the Members at their Extra Ordinary General Meeting holding Office from the conclusion of the said Meeting until the conclusion of the first Annual General Meeting of the Company.

M/s Contractor, Nayak and Kishnadwala, Chartered Accountants have expressed their willingness to be re-appointed as Statutory Auditors of the Company

Accordingly, your Directors propose to re-appoint M/s Contractor, Nayak and Kishnadwala, Chartered Accountants as Statutory Auditors of the Company to hold Office until the conclusion of the next Annual General Meeting of the Company. The Company has received a Certificate from them to the effect that their appointment, if made would be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

Fixed Deposits

Your Company has not accepted any deposits from the public in terms of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

Human Resources

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in Annexure 'A' to this Report.

Directors' Responsibility Statement

The Board of Directors of the Company confirms as required under Section 217 (2AA) of the Companies Act, 1956

- a) that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any,
- b) that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profit of the Company for the period ended on that date.
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the annual accounts have been prepared on a going concern basis.

Acknowledgement

Your Directors are thankful to the various Government Departments, Banks and other statutory bodies.

ON BEHALF OF THE BOARD OF DIRECTORS

SAJID MALIK
DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Place: Mumbai

Dated: August 6, 2008



ANNEXURE 'A'

TO THE DIRECTORS' REPORT

Particulars of Conservation of Energy, Research & Development, Technology absorption and Foreign Earnings and Outgo as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March 2008.

Conservation of Energy: Your Company shall be adopting various measures in order to conserve energy.

Research and Development: Your Company has started to explore newer and better technologies for the future business prospects.

Technology Absorption, Adaptation & Innovation : Your Company has started to find out the suitable technology needs for the upcoming business activities.

Foreign Exchange Earnings & Outgo : NIL

ON BEHALF OF THE BOARD OF DIRECTORS

SAJID MALIK
DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Place: Mumbai

Dated: August 6, 2008



REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF IADYA SYSTECH LIMITED

1. We have audited the attached Balance Sheet of Iadya Systech Limited as at 31st March 2008 and also the Profit and Loss Account and Cash Flow Statement of the Company for 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 the 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) Order, 2003 as amended 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 annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our 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.
 - (c) The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable, and
5. On the basis of written representations received from all the directors of the Company as at 31st March, 2008, and taken on record by the Board of Directors, and the information and explanations as made available to us by the Company, we report that none of the directors of the Company prima facie, have any disqualifications as referred to in clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, 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 2008 and
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.
 - (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Contractor, Nayak & Kishnadwala
Chartered Accountants

Saroj Maniar
Partner
Membership No 40803

Mumbai
Dated : 6th August, 2008



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the Accounts for the year ended 31st March 2008 of **Iadya Systech Limited**)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The fixed assets have been physically verified by the management during the year. As informed to us, no discrepancies were noticed on such verification.
c) During the financial year, the Company has not disposed off any substantial part of the fixed assets.
2. The Company's nature of operations does not require it to hold inventories. Consequently, clause 4(ii) of the Companies (Auditor's Report) Order, 2003, as amended ('The Order') is not applicable.
3. a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company.
b) According to the information and explanations given to us, the Company has obtained interest free unsecured loan from its holding company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 37,429,200/- and the year end balance was Rs. 37,429,200/-.
c) The terms and conditions on which loan has been taken from holding company covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company;
d) There is no amount overdue in respect of the loan repayable at the year end.
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) The particulars of contracts and arrangements referred to in section 301 of the Companies Act 1956 have been entered in the register maintained under section 301 of the said Act.
b) The transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices and other relevant factors at the time of transaction
6. The Company has not accepted any deposits from the public and consequently the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. The Company does not have an internal audit system.
8. As explained no cost records have been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the activities carried out by the Company.
9. a) The Company has been generally regular in depositing undisputed statutory dues applicable to it, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
b) According to the information and explanations

- given to us, there are no dues of sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has accumulated losses at the end of the year. The company has incurred cash losses in the current financial year and also in the immediately preceding financial year.
 11. The Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
 12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. As the Company is not a chit fund, nidhi, mutual benefit fund or a society, the provisions of clause (xiii) of the Order are not applicable.
 14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
 15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. There were no term loans raised by the company.
 17. On an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
 18. The Company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956. The price at which the shares have been issued are not prima facie prejudicial to the interest of the Company.
 19. The Company does not have any outstanding debentures during the year.
 20. The Company has not raised any money by public issues during the year.
 21. During the course of our audit and as explained, no fraud on or by the Company has been noticed or reported during the year to us.

**For Contractor, Nayak & Kishnadwala
Chartered Accountants**

**Saroj Maniar
Partner**

Membership No 40803
Mumbai
Dated : 6th August, 2008


BALANCE SHEET

AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	AS AT 31ST MARCH, 2008		AS AT 31ST MARCH, 2007
		Rs.	Rs.	Rs.
SOURCES OF FUNDS				
1) SHAREHOLDERS FUNDS				
a) Share Capital	A	500,000		100,000
			500,000	100,000
2) LOAN FUNDS				
a) Unsecured Loans	B	37,429,200		26,886
			37,429,200	26,886
Total			37,929,200	126,886
APPLICATION OF FUNDS				
1) FIXED ASSETS				
a) Gross Block	C	-		39,800
b) Less : Depreciation / Amortisation		-		31,891
c) Net Block			-	7,909
d) Advances for Capital Expenditure			37,427,000	-
2) CURRENT ASSETS, LOANS & ADVANCES	D			
a) CURRENT ASSETS				
Cash & Bank Balances		373,095		471
			373,095	471
b) LOANS & ADVANCES			2,355	2,355
			375,450	2,826
LESS: CURRENT LIABILITIES & PROVISIONS	E			
(i) Current Liabilities		12,000		2,223
(ii) Provisions		-		-
			12,000	2,223
Net Current Assets			363,450	603
3. (a) Miscellaneous Expenditure			-	6,418
(b) Profit & Loss Account			138,750	111,956
Total			37,929,200	126,886
Notes forming part of Accounts	I			
Schedules 'A' to 'I' form an integral part of the Accounts				

As per our Report of even date attached

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**
SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 6th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK DIRECTOR
SAROJA MALIK DIRECTOR
GANAPATHY VISHWANATHAN DIRECTOR



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH, 2008		FOR THE YEAR ENDED 31ST MARCH, 2007
		Rs.	Rs.	Rs.
INCOME				
Revenue from Operations		-		-
Other Income	F	1,783		-
Total			1,783	-
EXPENDITURE				
Operating and Other Costs	G	19,918		6,978
Finance Costs	H	750		-
Depreciation / Amortisation		7,909		5,273
Total			28,577	12,251
Profit / (Loss) Before Tax			(26,794)	(12,251)
Current Tax			-	-
Fringe Benefit Tax			-	-
Profit / (Loss) After Tax			(26,794)	(12,251)
Balance brought forward from earlier years			(111,956)	(99,705)
Balance carried to Balance Sheet			(138,750)	(111,956)
Earning per Share (Equity Share, par value Rs. 10 each)				
Basic & Diluted			(1.85)	(1.23)
Number of weighted average shares used in computing earnings per share			14,481	10,000
Notes forming part of Accounts	I			
Schedules 'A' to 'I' form an integral part of the Accounts				

As per our Report of even date attached

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 6th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK DIRECTOR
SAROJA MALIK DIRECTOR
GANAPATHY VISHWANATHAN DIRECTOR



SCHEDULES

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule A		
SHARE CAPITAL		
AUTHORISED		
1,00,000 Equity Shares of Rs 10/- each	1,000,000	1,000,000
(Previous Year 1,00,000 Equity Shares of Rs. 10/- each)		
	1,000,000	1,000,000
ISSUED, SUBSCRIBED & PAID-UP		
50,000 (Previous Year 10,000) Equity shares of Rs. 10/- Each fully paid up	500,000	100,000
(100% Equity Share Capital is held by Genesys International Corporation Limited and it's nominees.)		
Total	500,000	100,000
Schedule B		
UNSECURED LOANS		
From Directors	-	2,086
From Holding Company	37,429,200	-
From Others	-	24,800
Total	37,429,200	26,886

Schedule C

FIXED ASSETS

(Amount in Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	Opening Balance as at 1.04.07	Addition During the year	Sale / Adjustment	Closing Balance as on 31.03.08	Up to 1.04.07	For the year	On Deduction	Up to 31.03.08	As at 31.03.08	As at 31.03.07
Tangible Assets										
Computer Hardware	39,800	-	39,800	-	31,891	7,909	39,800	-	-	7,909
Total	39,800	-	39,800	-	31,891	7,909	39,800	-	-	7,909
Previous Year	39,800	-	-	39,800	26,618	5,273	-	31,891	7,909	13,182



SCHEDULES

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule D		
CURRENT ASSETS, LOANS & ADVANCES		
(a) CURRENT ASSETS		
(1) Cash & Bank Balances		
(i) Cash in Hand	171	471
(ii) Balance with Scheduled bank	372,924	-
Total	373,095	471
(b) Loans & Advances		
(Unsecured - Considered good)		
(i) Advance Income Tax	2,355	2,355
Total	2,355	2,355
Schedule E		
Current Liabilities & Provisions		
Sundry Creditors	12,000	2,223
Total	12,000	2,223
Schedule F		
OTHER INCOME		
Profit on sale of fixed assets	1,783	-
Total	1,783	-
Schedule G		
OPERATING AND OTHER COSTS		
Legal & Professional Exps.	1,500	-
Miscellaneous expenses written off	6,418	6,417
Audit Fees	12,000	561
Total	19,918	6,978
Schedule H		
FINANCE COSTS		
Bank Charges	750	-
Total	750	-

→ SCHEDULES

Schedule – I Notes Forming Part of Accounts

1. Significant Accounting Policies

- a) Basis of preparation of financial statements
The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.
- b) Revenue Recognition
Revenues are recognized on accrual basis. However, no business activity was carried out by the company during the year under review.
Expenses are accounted on accrual basis and provisions are made for all known liabilities as on the date of the financial statements.
- c) Fixed Assets
Fixed Assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation.
- d) Depreciation
Depreciation is provided using the straight line method, at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except on computer hardware & software on which depreciation has been provided based on the useful lives as estimated by the management being 3 to 5 years. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year with reference to date of installation/disposal. Assets

costing below Rs. 5,000/- are fully depreciated in the year of purchase.

- e) Taxation
Provision for current tax is being made after taking into consideration benefits admissible to the company under the provisions of the Income Tax Act, 1961.
Deferred tax is recognized on timing differences. Being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.
- f) Earning per Share (EPS)
The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

2. Contingent Liabilities

There is no Contingent Liabilities existed during the year (Previous Year Nil).

3. Disclosure requirements as per the Accounting Standard – 18 (AS – 18) "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.

List of Related Parties:-

- A. Holding Company
M/s Genesys International Corporation Limited
- B. Key Management Personnel
- | Name of Personnel | Designation |
|----------------------------|-------------|
| Mr. Sajid Malik | Director |
| Mrs. Saroja Malik | Director |
| Mr. Ganapathy Vishwanathan | Director |

Details of Transactions with related parties are as follows:

(Amount in Rs.)

Particulars	Year ended 31 st March 2008	Year ended 31 st March 2007
Transactions during the year and Closing balances		
Advances taken		
Genesys International Corporation Limited	37,429,200	-
Amount Payable		
Genesys International Corporation Limited	37,429,200	-

4. Earnings per share:

Sr. No.	Particulars	March 31, 2008	March 31, 2007
1.	Number of Equity Shares – Opening Balance	10,000	10,000
2.	Fresh allotment during the year	40,000	-
3.	Weighted average number of Equity outstanding during the year	14,481	10,000
4.	Net Profit/(Loss) after tax	Rs. (26,794)	Rs. (12,251)
5.	Basic & Dilutive EPS	Rs. (1.85)	Rs. (1.23)
6.	Nominal Value of shares	Rs. 10	Rs. 10

5. The Name of the Company changed from IADYA Systech Private Limited to IADYA Systech Limited as per the Special Resolution passed by the Members at the Extra Ordinary General Meeting held on 20th February, 2008.

6. Figures for previous year have been re-grouped/re-classified, wherever necessary to conform to current year's presentation.

Signatures to Schedule 'A' to 'I'

As per our Report of even date attached

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 6th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK DIRECTOR
SAROJA MALIK DIRECTOR
GANAPATHY VISHWANATHAN DIRECTOR

→ CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	YEAR ENDED 31ST MARCH, 2008		YEAR ENDED 31ST MARCH, 2007	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax and extraordinary items		(26,794)		(12,251)
Adjustments for:				
Depreciation and amortisation	7,909		5,273	
Profit on Sale of Fixed Asset	(1,783)		-	
Miscellaneous Expenditure Written Off	6,418		6,417	
		12,544		11,690
Operating Profit before working capital changes		(14,250)		(561)
Adjustments for:				
Trade and other receivables	-		-	
Work in Progress	-		-	
Liabilities	9,777		561	
		9,777		561
CASH GENERATED FROM OPERATIONS		(4,473)		-
Taxes (Paid) / Refund		-		-
NET CASH FLOW FROM OPERATING ACTIVITIES		(4,473)		-
B CASH FLOW FROM INVESTING ACTIVITIES				
Advance for Capex - MIDC, Seepz	(37,427,000)		-	
Sale of Fixed Assets	1,783		-	
NET CASH USED IN INVESTING ACTIVITIES		(37,425,217)		-
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	400,000		-	
Net Proceeds / (Repayment) from / of Unsecured Loans	37,402,314		-	
NET CASH FLOW FROM FINANCING ACTIVITIES		37,802,314		-
NET INCREASE IN CASH & CASH EQUIVALENTS		372,624		-
CASH & CASH EQUIVALENTS (OPENING BALANCE)		471		471
CASH & CASH EQUIVALENTS (CLOSING BALANCE)		373,095		471

This is the Cash Flow statement referred to in our report of even date.

As per our Report of even date attached

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 6th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK	DIRECTOR
SAROJA MALIK	DIRECTOR
GANAPATHY VISHWANATHAN	DIRECTOR

➔ AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Genesys International Corporation Limited.

1. We have examined the attached consolidated Balance Sheet of Genesys International Corporation Limited and its Subsidiaries as at March 31, 2008, the Consolidated Profit and Loss Account, and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated 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 the auditing standards generally accepted in India. These 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the certain subsidiaries, whose financial statements reflect total assets of Rs. 11,92,439/- as at 31st March, 2008 and total revenues of Rs. 12,24,065/- for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the Subsidiaries is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (AS – 21) 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Genesys International Corporation Limited and its Subsidiaries included in the consolidated financial statements.
5. In our opinion and on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited

financial statements of Genesys International Corporation Limited and its Subsidiaries, we are of the opinion that the Consolidated Financial Statements give a true and fair view,

- (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Genesys International Corporation Limited and its Subsidiaries, as at 31st March, 2008.
- (b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Genesys International Corporation Limited and its Subsidiaries, for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Genesys International Corporation Limited and its Subsidiaries, for the year ended on that date.

**For Contractor, Nayak & Kishnadwala
Chartered Accountants**

SAROJ MANIAR

PARTNER

Membership No:40803

Mumbai.

Dated : 18th August, 2008



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	AS AT 31ST MARCH, 2008 Rs.	Rs.	AS AT 31ST MARCH, 2007 Rs.
SOURCES OF FUNDS				
1) SHAREHOLDERS FUNDS				
a) Share Capital	A	115,687,560		115,687,560
b) Equity Share Warrants	A-1	6,374,500		6,374,500
c) Reserves & Surplus	B	253,571,139		138,309,404
			375,633,199	260,371,464
2) LOAN FUNDS				
a) Secured Loans	C	50,220,570		25,109,585
			50,220,570	25,109,585
Total			425,853,769	285,481,049
APPLICATION OF FUNDS				
1) FIXED ASSETS				
a) Gross Block	D	223,220,035		183,623,997
b) Less : Depreciation / Amortisation		167,118,948		145,084,721
c) Net Block			56,101,087	38,539,276
d) Advances for Capital Expenditure			39,063,421	2,831,693
2) INVESTMENTS				
	E		69,619,485	69,619,591
3) CURRENT ASSETS, LOANS & ADVANCES				
a) CURRENT ASSETS				
(i) Unbilled Revenues		6,471,629		1,700,291
(ii) Sundry Debtors		172,622,697		69,257,468
(iii) Cash & Bank Balances		82,810,688		120,975,994
(iv) Other Current Assets		108,532		-
			262,013,546	191,933,753
b) LOANS & ADVANCES				
			104,602,719	56,828,693
			366,616,265	248,762,446
LESS: CURRENT LIABILITIES & PROVISIONS				
G				
(i) Current Liabilities		54,602,862		67,646,541
(ii) Provisions		50,943,627		6,625,416
			105,546,489	74,271,957
Net Current Assets			261,069,776	174,490,489
Total			425,853,769	285,481,049

Notes to the Accounts

L

Schedules 'A' to 'L' form an integral part of the Accounts
As per our Report of even date attached

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

For and on behalf of the Board Of Directors

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY

→ CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31ST MARCH, 2008		FOR THE YEAR ENDED 31ST MARCH, 2007
		Rs.	Rs.	Rs.
INCOME				
Revenue from Operations		472,845,087		192,307,816
Other Income	H	3,661,931		1,519,495
Total			476,507,018	193,827,311
EXPENDITURE				
Personnel Costs	I	138,717,230		74,566,443
Operating and Other Costs	J	154,767,444		77,527,393
Finance Costs	K	4,670,873		2,983,785
Depreciation & Amortization		22,086,169		16,979,552
Total			320,241,716	172,057,173
Operating Profit / (Loss) Before Tax			156,265,302	21,770,138
Add : Excess Provision written back			-	834,341
Profit / (Loss) Before Tax			156,265,302	22,604,479
Current Tax			5,100,000	-
Fringe Benefit Tax			1,269,400	1,249,000
Tax Provision for earlier years			30,000	-
Profit After Tax			149,865,902	21,355,479
Balance brought forward from earlier years			94,235,658	135,987,059
Less: Adjustment pursuant to the scheme of Demerger			-	61,994,926
Balance available for appropriation			244,101,560	95,347,612
APPROPRIATIONS :				
Transfer to General Reserve			14,000,000	1,000,000
Towards Proposed Dividend			29,847,512	-
Towards tax on Proposed Dividend			5,072,585	-
Balance carried to Balance Sheet			195,181,463	94,347,612
			244,101,560	95,347,612
Earning per Share (Equity Share, par value Rs. 10 each)				
Basic			12.95	1.68
Number of shares used in computing earnings per share			11,568,756	12,748,479
Diluted			10.80	1.33
Number of shares used in computing earnings per share			13,878,756	16,103,479
Notes to the Accounts	L			

Schedules 'A' to 'L' form an integral part of the Accounts
As per our Report of even date attached

For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

For and on behalf of the Board Of Directors

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY



SCHEDULES

ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule A		
SHARE CAPITAL		
AUTHORISED		
15,000,000 Equity Shares of Rs 10/- each (Previous Year 15,000,000 Equity Shares of Rs. 10/- each)	150,000,000	150,000,000
	150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID-UP		
11,568,756 (Previous Year 11,568,756) Equity shares of Rs 10/- Each fully paid up (Out of the above 93,63,756 Equity shares of Rs 10/- each were allotted as fully paid up to the shareholders of the erstwhile Genesys International Corporation Limited' pursuant to the Scheme of Amalgamation approved by the High Court, Mumbai on 6th December, 1999.)	115,687,560	115,687,560
Schedule A-1		
SHARE WARRANTS		
3,355,000 Equity Share Warrants (Previous Year 3,355,000)	6,374,500	6,374,500
Schedule B		
RESERVES & SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	36,000,000	35,000,000
Transferred from Profit & Loss Account	14,000,000	1,000,000
	50,000,000	36,000,000
SHARE PREMIUM		
As per last Balance Sheet	5,175,000	287,129,882
Received during the year	-	5,175,000
	5,175,000	292,304,882
Less: Adjustment pursuant to the scheme of Demerger	-	287,129,882
	5,175,000	5,175,000
CAPITAL RESERVE	3,841,529	3,841,529
EXCHANGE FLUCTUATION RESERVE	(626,853)	(1,054,737)
PROFIT & LOSS ACCOUNT	195,181,463	94,347,612
Total	253,571,139	138,309,404
Schedule C		
SECURED LOANS		
From Banks		
- Towards Packing Credit	33,859,650	24,252,500
- Towards Car Loan (Amount repayable within 1 year is Rs. 387,876)	539,082	857,085
- Towards Term Loan (Amount repayable within 1 year is Rs. 66,66,672)	13,985,082	-
From Others		
- Towards Hire Purchase Loan (Amount repayable within 1 year is Rs. 984,261)	1,836,756	-
Total	50,220,570	25,109,585



SCHEDULES

ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

CONSOLIDATED

GENESYS

Particulars	Gross Block						Depreciation / Amortisation			Net Block	
	Opening Balance as at 1.04.07	Addition During the year	Sale / Adjustment/ Transfer	Closing Balance as at 31.03.08.	Up to 1.04.07	For the year	On Deduction/ Transfer	Up to 31.03.08	As at 31.03.08	As at 31.03.07	
Tangible Assets											
Computer Hardware	85,551,094	27,348,675	39,800	112,859,969	82,348,032	7,717,465	39,800	90,025,697	22,834,273	3,203,062	
Furniture & Fixtures	22,574,981	979,637	-	23,554,618	8,553,081	2,154,198	-	10,707,279	12,847,339	14,021,900	
Office Equipments	5,156,305	2,034,102	170,908	7,019,499	1,279,628	362,226	44,032	1,597,822	5,421,677	3,876,677	
Vehicles	2,831,906	557,946	-	3,389,852	825,252	312,489	-	1,137,741	2,252,111	2,006,654	
Intangible Assets											
Computer Software	52,015,203	8,846,586	-	60,861,789	44,290,033	9,557,929	-	53,847,962	7,013,827	7,725,170	
GIS Database	15,000,000	-	-	15,000,000	7,500,000	1,875,000	-	9,375,000	5,625,000	7,500,000	
Patents & Licenses	534,308	-	-	534,308	320,586	106,862	-	427,448	106,860	213,722	
Total	183,663,797	39,766,946	210,708	223,220,035	145,116,612	22,086,169	83,832	167,118,948	56,101,087	38,547,184	
Previous Year	256,955,693	4,857,671	78,189,367	183,623,997	168,201,969	16,979,552	40,096,800	145,084,721	38,539,276	88,753,723	

**Schedule D
FIXED ASSETS**

(Amount in Rs.)



SCHEDULES

ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule E		
INVESTMENTS (AT COST)		
Long Term, Fully Paid up		
Trade Investments - Unquoted		
18 Ordinary Shares (Previous Year : 18); £ 1 par value, in GEODC Ltd	1,417	1,523
Other Investments		
2,162,000 Shares (Previous Year : Nil); \$.01 par value, of Image Intelligence Inc.	69,618,068	69,618,068
Total	69,619,485	69,619,591
Schedule F		
CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(i) Unbilled Revenues	6,471,629	1,700,291
(ii) Sundry Debtors		
(Unsecured)		
Due for more than six months		
Considered good	41,875,753	29,550,576
Considered doubtful	6,341,485	1,770,105
	48,217,238	31,320,681
Less : Provision for Doubtful Debts	6,341,485	1,770,105
	41,875,753	29,550,576
Others - Considered good	130,746,944	39,706,892
	172,622,697	69,257,468
(iii) Cash & Bank Balances		
(a) Cash in Hand	367,479	193,164
(b) Balances with Scheduled banks		
In Current Accounts	72,230,799	92,931,922
In Fixed Deposits Accounts	10,212,410	27,850,908
	82,810,688	120,975,994
(iv) Other Current Assets		
(Unsecured-Considered good)		
Interest Accrued but not due	108,532	-
Total	262,013,546	191,933,753
(B) Loans & Advances		
(Unsecured - Considered good)		
(i) Advances recoverable in cash or in kind for the value received	9,298,757	840,895
(ii) Advances to Other Body Corporates	36,350,342	-
(iii) Prepaid Expenses	4,486,370	2,330,390
(iv) Facilities Deposits	51,355,000	51,355,000
(v) Other Deposits	3,112,250	2,302,408
Total	104,602,719	56,828,693



SCHEDULES

ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	AS AT 31ST MARCH, 2008 Rs.	AS AT 31ST MARCH, 2007 Rs.
Schedule G		
Current Liabilities & Provisions		
(a) Current Liabilities		
Sundry Creditors	49,879,468	20,562,660
Advance from customers	-	6,088,713
Unclaimed Dividend	310,215	321,969
Payable for cancellation of Equity Shares	-	39,615,000
Other Liabilities	4,413,178	1,058,199
Total	54,602,861	67,646,541
(b) Provisions		
Provision for Retirement benefits	12,256,216	6,422,416
Proposed Dividend	29,847,512	-
Provision for Taxation (Net of Advance taxes)	3,767,314	203,000
Provision for Tax on Proposed Dividend	5,072,585	-
Total	50,943,627	6,625,416



SCHEDULES

ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2008 Rs.	FOR THE YEAR ENDED 31ST MARCH 2007 Rs.
Schedule H		
OTHER INCOME		
Interest received (Tax Deducted at Source Rs. 472,147 previous year Rs. 130,281)	2,364,357	662,929
Profit on sale of fixed asset	1,783	-
Dividend	65,844	822,356
Gains from Securities (Net)	917,164	34,210
Miscellaneous Income	312,783	-
Total	3,661,931	1,519,495
Schedule I		
PERSONNEL COSTS		
Salaries , Allowances & Bonus	128,672,436	69,360,040
Staff Welfare	3,582,246	2,300,267
Contribution to Provident Fund & other funds	6,462,548	2,906,136
Total	138,717,230	74,566,443
Schedule J		
OPERATING AND OTHER COSTS		
Conveyance & Traveling	12,992,603	12,172,448
Legal & Professional Fees	11,798,040	10,319,611
Loss on sale of Fixed Assets	91,877	367,968
Communication Expenses	5,646,309	3,671,714
Electricity and Water Charges	8,425,800	5,270,301
Repairs & Maintenance to Others	4,850,260	3,974,506
Project Expenses	74,944,981	25,789,961
Miscellaneous Expenses	26,235,628	9,237,131
Rent	4,495,319	4,815,005
Remuneration to Auditors		
- Statutory Audit	465,247	477,841
- Tax Audit	50,000	39,514
- Other Services	200,000	197,572
Provision for Doubtful Debts	4,571,380	1,193,821
Total	154,767,444	77,527,393
Schedule K		
FINANCE COSTS		
Bank Charges	1,649,233	1,138,407
Interest to Banks		
- On Fixed Loans	485,624	44,984
- On Other Loans	2,536,016	1,800,394
Total	4,670,873	2,983,785



SCHEDULES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - L :

1. Significant Accounting Policies

1.1 Basis & Principles of Consolidation

- (a) The consolidation of accounts is done in accordance with the Generally Accepted Accounting Principles in India and meet the requirements of the Accounting Standard 21 (AS – 21) “Consolidated Financial Statement” issued by the Institute of Chartered Accountants of India.

List of Foreign and Indian subsidiaries considered in the consolidated financial statements

Name of the Entity	Nature of Relationship	Country of Incorporation	Extent of holding as on 31 st March 2008
Genesys International (UK) Limited	Subsidiary	UK	100%
Aerial Surveyor Limited	Sub – Subsidiary	UK	100%
Iadya Systech Limited	Subsidiary	India	100%

- (b) The consolidated financial statements of the group have been prepared based on a line-by-line consolidation of Profit & Loss Account for the period ended 31st March, 2008 and Balance Sheet as on that date by adding together the book values of like items of income, expenses, assets and liabilities. All inter-company balances and transactions are eliminated on consolidation. The Consolidated financial statements have been prepared in Indian Rupees.

1.2 Exchange Adjustments

In case of the Consolidated Accounts, the summarized revenue and expense transactions reflected in Profit & Loss Account have been translated into Indian Rupees at an average of average monthly exchange rate. The assets and liabilities in the Balance Sheet have been translated into Indian Rupees at the closing exchange rate at the year-end. The resultant translation exchange gain / loss have been

disclosed as Exchange Fluctuation Reserve in Reserves and Surplus.

1.3 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP), the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

1.4 Use of estimates

Preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect reported balance of assets, liabilities, revenues and expense and disclosures relating to contingent liabilities as of the date of financials. Examples of such estimates include estimate of useful life of assets, provision for doubtful debts, income

taxes, provision for unbilled revenue, etc. Actual results could differ from these estimates. Differences, if any between the actual results and estimates are recognized in the period in which the results are known or materialized.

1.5 Method of Accounting

Revenues are recognized on accrual basis. Revenue from operations is accounted for on the basis of services rendered and billed to / accepted by clients. Revenue recognized over and above the billing on a customer is classified as unbilled revenue and is recognized at cost. Interest income is recognized on accrual basis. Dividend income is recognized as and when right to receive payment is established.

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses.

1.6 Fixed Assets

Fixed Assets are stated at cost of acquisition including directly attributable costs for bringing the asset into use, less accumulated depreciation. Advances paid towards the acquisition of fixed assets are disclosed under the head advances for capital expenditure.

1.7 Intangible Assets

Direct expenditure incurred for internally developing Assets from which future economic benefits are expected to flow over a period of time is being treated as Intangible asset as per the Accounting Standard on Intangible Assets (AS – 26) issued by the Institute of Chartered Accountants of India.

1.8 Assets taken on lease are accounted as under

1.8.1 Finance Lease

Assets taken on finance lease are accounted for as fixed assets in accordance with Accounting Standard 19 on leases, (AS 19) issued by The Institute

of Chartered Accountants of India.

1.8.2 Operating Lease

Assets taken on lease under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expenses on accrual basis in accordance with the respective lease agreement.

1.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition of the fixed assets are capitalized for the period until the asset is ready for its intended use.

Other borrowing costs are recognized as expense in the period in which they are incurred.

1.10 Depreciation / Amortisation

1.10.1 Tangible Assets

Depreciation is provided using the straight line method, at the rates and in the manner permissible under applicable local laws except on computer hardware on which depreciation has been provided based on the useful lives as estimated by the management being 3 to 5 years.

1.10.2 Intangible Assets

Depreciation is provided on computer software using the straight line method based on the useful lives as estimated by the management being 3 to 5 years. GIS database is amortised over a period of 8 years commencing from the year the asset is available for use. Patent & Licences are amortised over a period of 5 years.

Depreciation/Amortisation is charged on a pro-rata basis for assets purchased

/sold during the year with reference to date of installation/disposal. Assets costing below Rs. 5,000/- are fully depreciated in the year of purchase.

1.11 Impairment of Fixed assets

An asset is considered as impaired in accordance with Accounting Standard (AS)-28 on "Impairment of Assets". At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred, where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made for the difference.

1.12 Investments

Investments are classified as current or long term in accordance with Accounting Standard (AS) -13 on "Accounting for Investments". Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit & Loss account. Long Term Investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of such investments.

1.13 Earning per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity shares are deemed to be converted at the beginning of the year, unless they have been issued at a later date. The number of shares used for computing the diluted EPS is the weighted average number of shares outstanding during the year after considering the dilutive potential equity shares.

1.14 Taxation

The provision for current tax is made on the basis of tax liability computed after considering the admissible deductions and exemptions in accordance with the provisions of local laws of the respective countries. Minimum Alternate Tax (MAT) credit asset is recognized in the Balance Sheet where it is likely that it will be adjusted against the discharge of the tax liability in future under the Indian Income Tax Act, 1961.

Deferred tax asset or liability is recognized for reversible timing differences between the profit as per financial statements and the profit offered for income taxes, based on tax rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax asset or liability is recognized only for those timing differences that originate during the tax holiday period but reverse after the tax holiday period.

Deferred tax assets on unabsorbed losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Provision for Fringe Benefit Tax (FBT) is made on the basis of expenses incurred on employees / other expenses as prescribed under the Indian Income Tax Act, 1961.

1.15 Employee Benefits :

- (a) Provident Fund – The Company makes defined monthly contribution to Provident Fund administered and managed by the Government of India which is recognized in the Profit & Loss Account on accrual basis.
- (b) Gratuity & Leave Encashment – Gratuity & Leave Encashment are defined benefits covering all employees. The liability as at the

Balance Sheet date has been provided based on the actuarial valuation carried out in accordance with the Accounting Standard (AS) – 15 “Employee Benefits” (revised 2005).

- (c) Short term employment benefits - The undiscounted amount of all short term employee benefits expected to be paid in exchange for services rendered by employees are recognized as an expense in the profit & loss account during the period when the employee renders the services

1.16 Provisions and Contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements.

2. Pursuant to the scheme of arrangement (as per Section 391 to 394 of the Companies Act, 1956) sanctioned in the High Court of judicature at Mumbai vide Order dated 7th September, 2007, with effect from 01st April, 2006 the business of Engineering and Information Technology Division has been transferred and demerged into M/s GI Engineering Solutions Ltd., the Resulting Company. Effects of the order passed by the High Court of

Judicature, Mumbai has already been given in the annual accounts for the previous financial year 2006-07.

3. Contingent Liabilities

Guarantees given by Bank on behalf of the Parent Company are Rs. 6,739,270/- (Previous year Rs. 5,183,000/-). The guarantees are secured by Fixed Deposits worth Rs. 2,580,872/- (Previous year Rs. 3,371,126/-).

4. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances is Rs. NIL/- (Previous year Rs. 11,248,890/-).
5. The Company has obtained Post Shipment Line of Credit and Term Loan from State Bank of India. The amount, which is due within 1 year from the date of Balance Sheet towards Post Shipment Line of Credit is Rs. 33,859,650/- (Previous Year Rs. 24,252,500/-) and Term Loan is Rs. 6,666,672/- (Previous Year Rs. Nil).

Post Shipment Line of Credit facility is Secured by Hypothecation of entire current assets and Export Bills and further secured by

- Hypothecation of all existing and future movable and immovable equipments, Fixtures and all other assets owned by the company.
- Lien on Short Term Deposit Receipt of Rs. 7,533,426/- (Previous year Rs. 7,161,027/-)
- Personal guarantees of Whole-time director, Managing Director and Executive Director of the company.
- Pledge of Promoter Shares having a Market Value of Rs. 13,107,317/- (Previous year Rs. 7,487,088/-) as on 31st March, 2008.

Term Loan facility is secured by hypothecation of the fixed assets acquired from the term loan amount.

The Company has obtained car loan from one of the Scheduled bank and it is secured by hypothecation of the car.

The Company has entered into finance lease with Hewlett Packard towards purchase of Computer Software and Hardware and it is secured by the hypothecation of relevant assets purchased under finance agreement.

6. Leases

- a) The Company has taken a Car and Computer Software & Hardware under finance lease. Lease rentals payable in respect of these leases are as follows:

Period	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
Not later than 1 year	1,372,137	387,876
Later than 1 year but not later than 5 years	1,294,034	581,814

- b) The Company has operating lease arrangements in respect of computers. The aggregate of lease rentals payable on these lease arrangements are charged as computer hiring charges under Operating and other costs in schedule J.

The Company has placed a refundable deposit of Rs. 277,854/- (Previous year Rs. 277,854/-) in respect of these leasing arrangements. Future lease rentals payable in respect these lease are as follows:

Period	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
Not later than 1 year	6,801,981	7,879,416
Later than 1 year but not later than 5 years	4,161,871	10,695,986

7. Particulars of Remuneration to Managing Director, Executive Director, Whole Time Director and Non Executive Director :

	For the year 31 st March 2008 Rs.	For the year 31 st March 2007 Rs.
Managing Director		
Salary & Allowances	4,747,025	1,215,000
Executive Director		
Salary & Allowances	4,240,693	-
Whole-Time Director		
Salary & Allowances	975,000	975,000
Non-Executive Director		
Commission	1,400,000	-

8. Employee Benefits :

- (I) Post-employment benefits plans
- (a) Defined Contribution Plans –
In respect of the defined contribution plans, an amount of Rs. 4,617,065/- has been recognized in the Profit & Loss account for the year.
- (b) Defined Benefit Plans –
- (i) The liability in respect of gratuity and leave encashment is determined as per actuarial valuation carried out as at Balance Sheet date. The present value of the obligation under such plan is determined using the projected

unit credit method. Actuarial gains and losses are recognized in the Profit & Loss account for the period in which they occur.

(ii) Principal actuarial assumptions :

Particulars	Gratuity	Leave Encashment
Discount rate	8% p.a.	8% p.a.
Rate of Return on Plan Assets	8% p.a.	8% p.a.
Salary Escalation	8% p.a.	8% p.a.

(iii) Reconciliation of Benefit Obligation :

Particulars	Gratuity Rs.	Leave Encashment Rs.
Liability at the beginning of the year	2,644,070	3,778,346
Interest Cost	211,526	302,268
Current Service Cost	1,527,979	671,072
Benefit Paid	889,493	886,156
Actuarial (Gain)/ Loss on Obligations	5,152,228	(255,624)
Amount recognised and disclosed under the head "Provision for Employees Benefits"	8,646,310	3,609,906

(iv) Expenses recognised in the Profit & Loss Account under the head Personnel Expenses :

Particulars	Gratuity Rs.	Leave Encashment Rs.
Current Service Cost	1,527,979	671,072
Interest Cost	211,526	302,268
Net Actuarial (Gain)/ Loss recognized	5,152,228	(255,624)
Expenses recognised in Profit and Loss account	6,891,733	717,716

(v) Details of provision for employee benefits recognized in the Balance Sheet :

Particulars	Gratuity Rs.	Leave Encashment Rs.
Liability at the end of the year	8,646,310	3,609,906
Fair Value of Plan assets at the end of the year	-	-
Difference	8,646,310	3609906
Amount in the Balance Sheet	8,646,310	3,609,906

This being the first year of disclosure, previous years figures have not been furnished.

9. Disclosure requirements as per the Accounting Standard – 18 (AS – 18) “Related Party Disclosure” issued by the Institute of Chartered Accountants of India.

List of Related Parties:-

A. Key Management Personnel

Name of Personnel	Designation
Mr. Sajid Malik	Managing Director
Mrs. Saroja Malik	Whole-time Director
Mr. Sohel Malik	Executive Director
Mr. Om Hemrajani	Director – Aerial Surveyor ltd.
Col. J. Jacob	Director – Photogrammetry & GIS

B. Principal Shareholder

M/s Kilam Holdings Ltd.

Details of Transactions with related parties are as follows: (Amount in Rs.)

	Year ended 31 st March 2008	Year ended 31 st March 2007
Remuneration to Key Managerial Personnel:		
Mr. Sajid Malik	4,747,025	1,215,000
Mrs. Saroja Malik	975,000	975,000
Col. J. Jacob	2,400,000	2,400,000
Mr. Sohel Malik	4,240,693	-
Total	12,362,718	4,590,000

10. (a) The Company operates only in single Primary Segment i.e. GIS based services for the purpose of AS – 17 Segmental reporting.

- (b) The disclosure requirement for Secondary Segment as per the Accounting Standard 17 is as under:

(Amount in Rs.)

SECONDARY SEGMENT (Geographical Segment based on Sales Continentwise)		
Segment Revenue	2007 – 2008	2006 – 2007
North America	353,948,428	152,497,841
Europe	105,866,312	30,841,903
Middle East	15,697	982,280
Austral Asia	13,181,393	5,374,798
Asia	(166,743)	2,610,994
Total Revenue from Operations	472,845,087	192,307,816

11. Earnings per share:

Sr. No.	Particulars	March 31, 2008	March 31, 2007
1.	Number of Equity Shares	11,568,756	11,568,756
2.	Number of Equity Shares after potential dilution	13,878,756	16,103,479
3.	Weighted average number of Equity outstanding during the year	11,568,756	12,748,479
4.	Net Profit after tax	Rs. 149,865,903	Rs. 21,355,479
5.	Basic EPS	Rs. 12.95	Rs. 1.68
6.	Diluted EPS	Rs. 10.80	Rs. 1.33
7.	Nominal Value of shares	Rs. 10	Rs. 10

12. (a) Provision of Rs. 51,30,000 (includes provision of Rs. 30000/- for previous Year) towards Minimum Alternate Tax (MAT) payable under section 115JB of Indian Income Tax Act, 1961 has been made. The MAT paid by the company for the current year is allowed to be carried forward for a period upto next 7 years to be adjusted against the normal tax payable, if any, in those years.

- (b) In accordance with the Accounting Standard – 22 (AS – 22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India which became mandatory from 1st April 2001, the Company has considered the effect of timing differences and accordingly accounted for Deferred Tax.

The Company's operations in India are entitled to a tax holiday under Section 10 A of Indian Income Tax Act, 1961. Deferred Tax Assets and Liabilities as at the balance sheet date resulting from timing differences between book profit and tax profit are not considered to the extent they are expected to get reversed within the tax holiday period. The break-up of net deferred tax assets/(liability) is as under -

Particulars	As at March 31, 2008 Rs.	As at March 31, 2007 Rs
Deferred Tax Assets		
Unabsorbed Losses	-	1,850,134
Provision for Employee Benefits	4,165,888	2,161,785
Provision for Doubtful Debts	3,285,579	595,817
	7,451,467	4,607,736
Deferred Tax Liability		
Fixed Assets (Depreciation/Amortization)	6,057,839	3,309,551
Net Deferred Tax (Liability)/Assets	1,393,628	1,298,185

Deferred Tax Assets arising on account of provisions for Employees Benefits and Doubtful Debts are not recognized in the absence of virtual certainty of future taxable income after tax holiday period against which deferred tax assets can be set off.

13. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the

parent company's financial statements.

- 14. Current year figures are not comparable with that of the previous year since company has acquired 100% stake in subsidiary company - ladya Systech Limited during the current year.
- 15. Figures for previous year have been re-grouped/re-classified wherever necessary to conform to current year's presentation.

As per our Report of even date attached

**For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS**

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

For and on behalf of the Board Of Directors

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	31ST MARCH, 2008		31ST MARCH, 2007	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax and extraordinary items		149,865,902		21,355,479
Adjustments for:				
Depreciation & Amortisation	22,086,169		16,979,552	
Interest & Dividend/Gains from securities	(3,347,365)		(1,519,495)	
Excess Provision written back	-		834,341	
Current Tax	5,100,000		-	
Fringe Benefit Tax	1,269,400		1,249,000	
Tax Provision for Earlier Years	30,000		-	
Interest Paid	3,021,640		1,845,378	
Unrealised Loss	3,206,149		(1,330,503)	
Miscellaneous Expenditure written off	6,418		-	
Provision for Doubtful Debts	4,571,380		1,193,821	
Loss / (Profit) on sale of fixed assets	90,094	36,033,885	367,968	19,620,062
Operating Profit before working capital changes		185,899,787		40,975,541
Adjustments for:				
Trade receivables and other Current assets	(122,763,913)		78,360,820	
Work in Progress	(4,771,338)		386,152	
Liabilities	(7,706,524)	(135,241,775)	19,998,306	98,745,278
CASH GENERATED FROM OPERATIONS		50,658,012		139,720,819
Taxes (Paid) / Refund		(2,249,500)		(3,274,022)
NET CASH FLOW FROM OPERATING ACTIVITIES		48,408,512		136,446,797
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets (Including Capital Advances)	(75,998,674)		(7,689,364)	
Interest & Dividend/Gains from securities	3,347,365		1,519,495	
Sale of Fixed Asset	36,783		325,000	
Losses of Subsidiary ladya Systech Ltd.	(126,283)		-	
Loan to other body corporates	(36,350,342)		-	
Investments-	-		(69,618,068)	
Investment in Subsidiary Company	106		(129)	
NET CASH USED IN INVESTING ACTIVITIES		(109,091,045)		(75,463,066)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	-		10,925,000	
Proceeds from Issue of Share Warrants	-		6,374,500	
Net Proceeds / (Repayment) from / of Secured Loans	25,110,985		2,732,585	
Capital Reserve on cancellation of Equity Share Warrants	-		3,505,500	
Transfer of bank balance pursuant to the scheme of Demerger	-		(58,762,000)	
Interest Paid	(3,021,640)		(1,845,378)	
NET CASH FLOW FROM FINANCING ACTIVITIES		22,089,345		(37,069,793)
NET INCREASE IN CASH & CASH EQUIVALENTS		(38,593,188)		23,913,938
CASH & CASH EQUIVALENTS (OPENING BALANCE)		121,494,576		97,580,638
CASH & CASH EQUIVALENTS (CLOSING BALANCE)		82,901,387		121,494,576
Notes:				
Breakup of Cash and cash equivalents - Closing balance				
Cash on hand and balances with banks		82,810,688		120,975,993
Exchange difference on translation of foreign currency accounts / deposits		90,699		518,583
		82,901,387		121,494,576

This is the Cash Flow statement referred to in our report of even date.
As per our Report of even date attached

For CONTRACTOR, NAYAK & KISHNADWALA
CHARTERED ACCOUNTANTS

For and on behalf of the Board Of Directors

SAROJ MANIAR
PARTNER
Membership No. 40803
MUMBAI: 18th August, 2008

SAJID MALIK
HEMANT MAJETHIA
GANAPATHY VISHWANATHAN
PANKAJ BAHAL

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMPANY SECRETARY

GENESYS INTERNATIONAL CORPORATION LIMITED

Registered Office : 73-A, SDF-III, SEEPZ, Andheri (E), Mumbai - 400096

ATTENDANCE SLIP

(For physical holding)

(For Demat holding)

Regd. Folio No.

Client ID.

D.P. ID.

Number of Shares held

I Certify that I am a member / Proxy for the member of the Company.

I hereby record my presence at the Twenty-Sixth Annual General Meeting of the Company at Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai - 400059, on Monday, 29th September, 2008 at 2.30 p.m.

Members' / Proxy's Name in Block Letters

Signature

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

.....CUT HERE.....

GENESYS INTERNATIONAL CORPORATION LIMITED

Registered Office : 73-A, SDF-III, SEEPZ, Andheri (E), Mumbai - 400096

PROXY FORM

(For physical holding)

(For Demat holding)

Regd. Folio No.

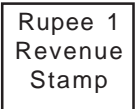
Client ID.

D.P. ID.

Number of Shares held

I / We.....of being a member / members of the Company, hereby appointof or failing him / her..... of..... as my/our proxy to vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai - 400059, on Monday, 29th September, 2008 at 2.30 p.m. and at any adjournment(s) thereof .

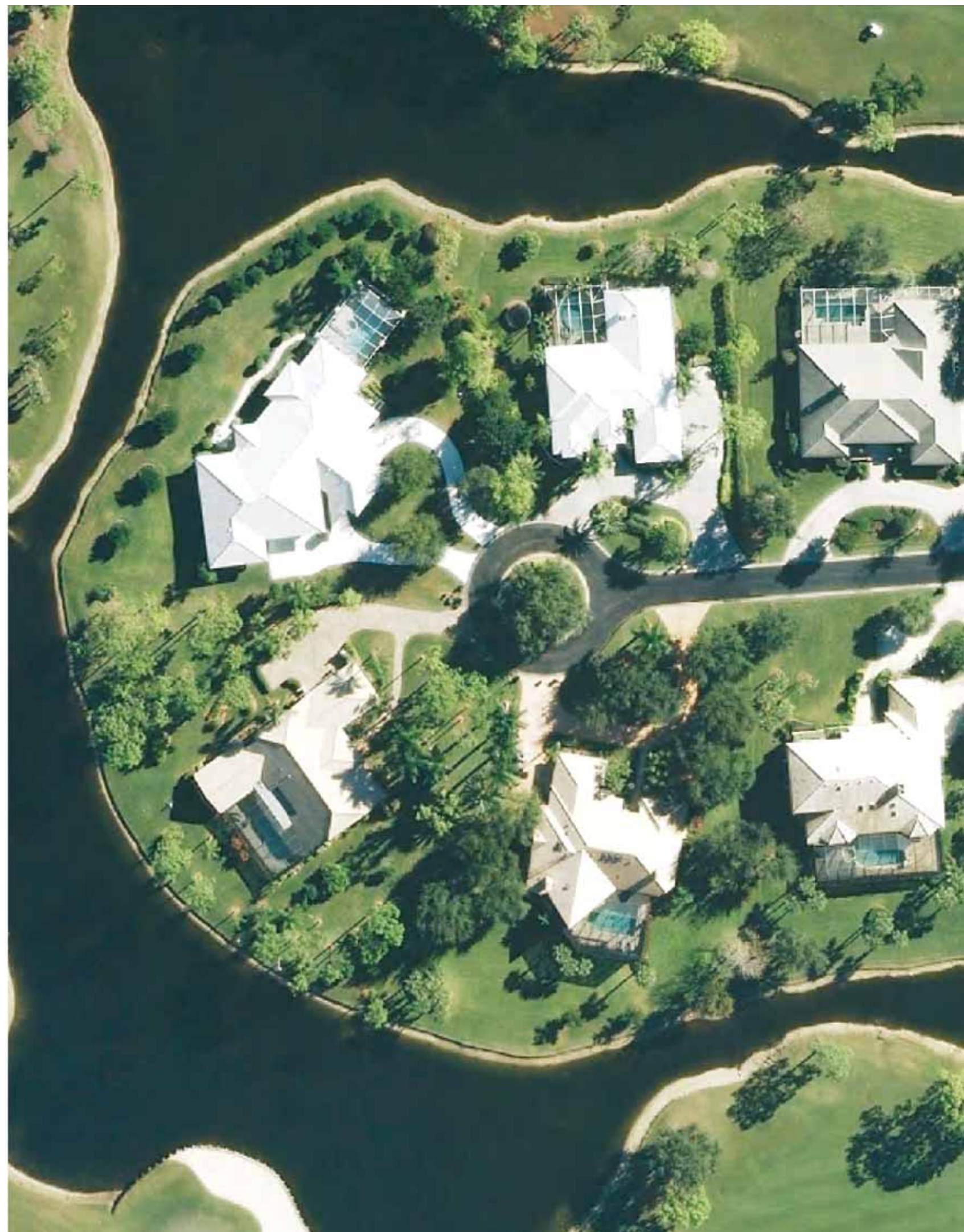
Signed this..... day of September, 2008



Signature _____

Note: This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.







GENESYS

Genesys International Corporation Ltd.

73-A, SDF-III SEEPZ, Andheri (East) Mumbai 400 096, India

Telephone: 91-22-28290303 Facsimile: 91-22-28290603

Web site: www.igenesys.com