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E-mail : cadbdixit@gmail.com

**TO THE MEMBERS OF  
GENESYS ENTERPRISES INC., USA**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **GENESYS ENTERPRISES INC., USA** (the "Company"), which comprise the Balance Sheet as at March 31, 2016 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

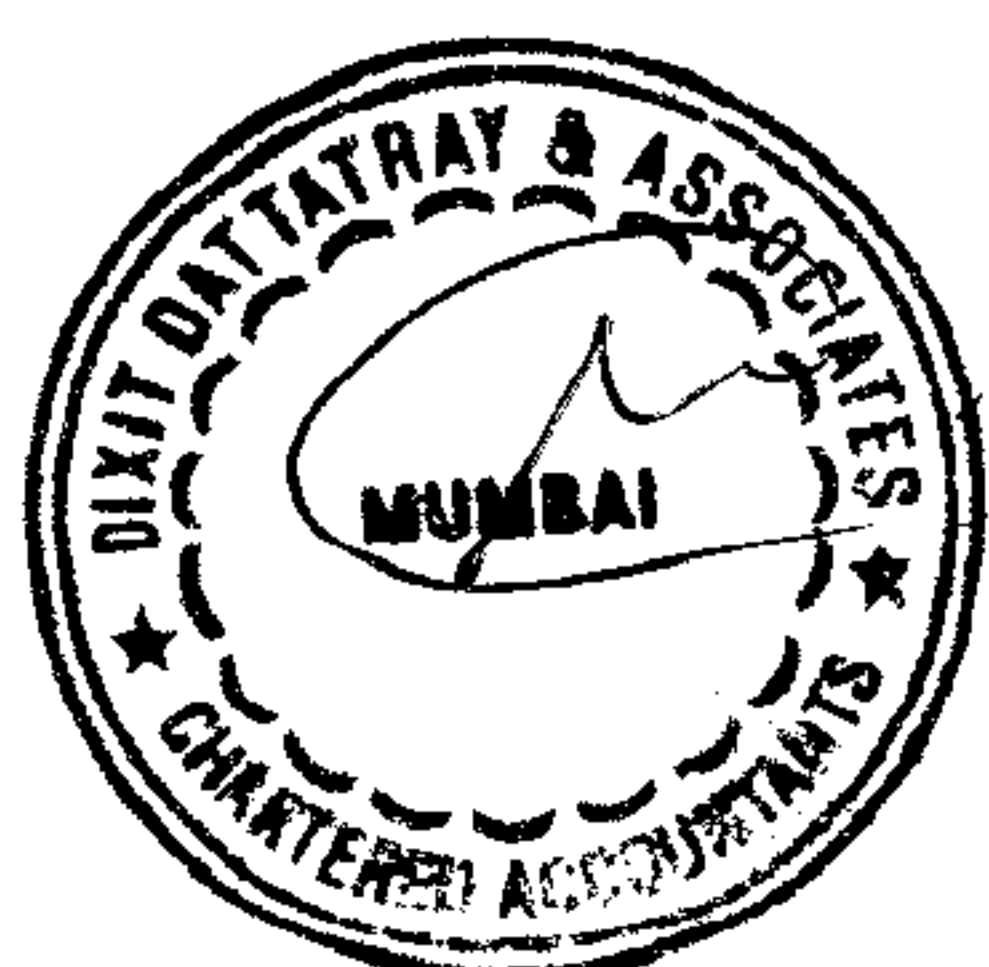
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Emphasis of Matter**

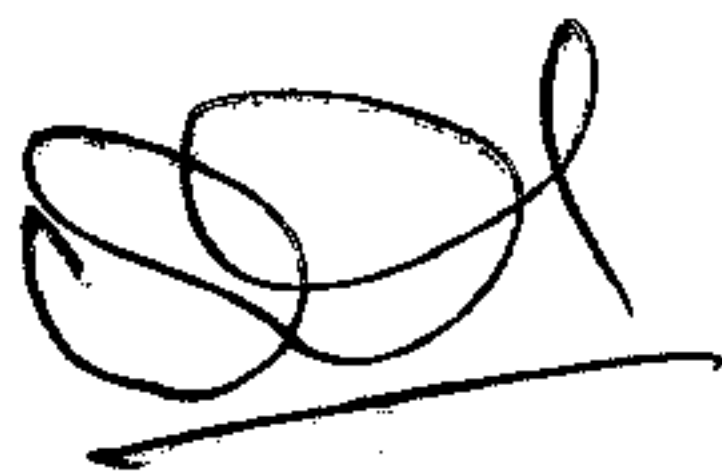
We draw attention to note no. 12 & 13 regarding non provision for old account receivables and advance receivables for the reason mentioned therein. Our opinion is not qualified in respect of this matter.

### **Report on Other Matters**

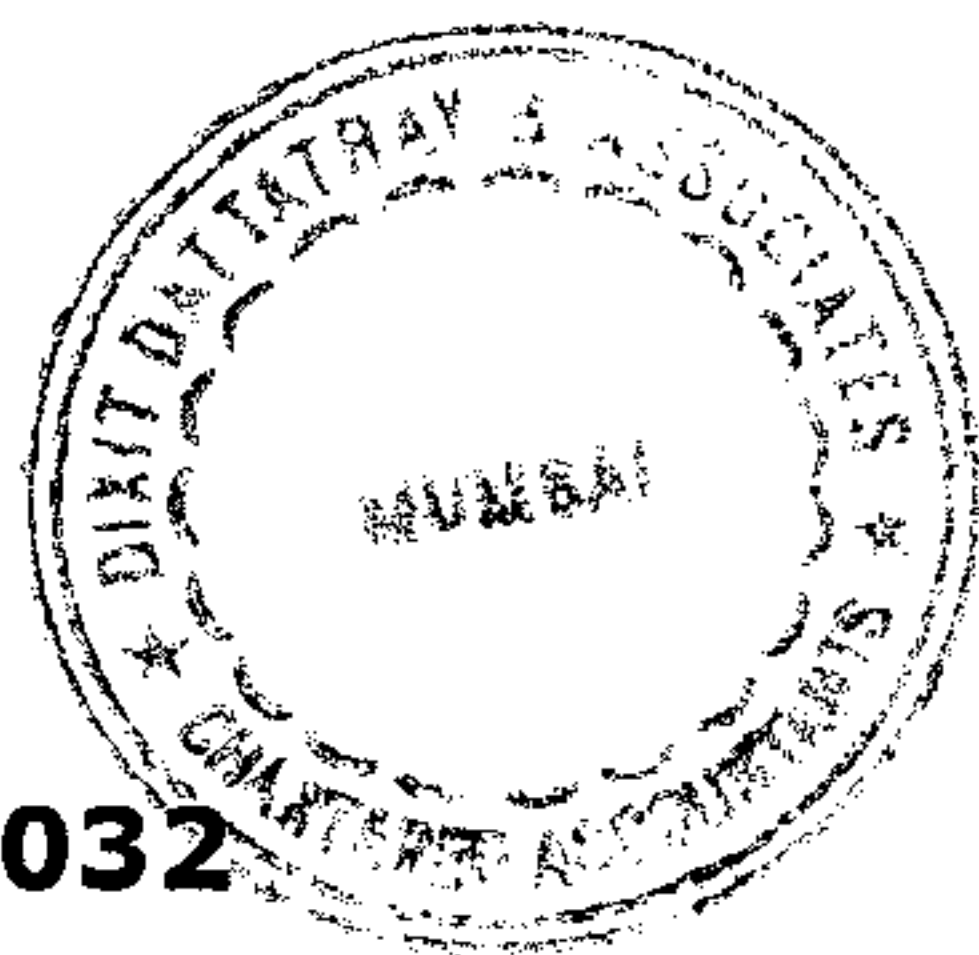
We report that:

- (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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards prescribed in India.

**For DIXIT DATTATRAY & ASSOCIATES,  
Chartered Accountants  
Firm registration number : 102665W**



**D. B. DIXIT  
Proprietor  
Membership No 40032  
Mumbai  
Dated : 30 May, 2016**



777 Westchester Ave, Suite 101, White Plains NY 10604 USA

**DIRECTORS' REPORT**

To the stockholders of Genesys Enterprises Inc., USA

Dear Members,

The Directors are pleased to present their Report for the year ended 31st March, 2016.

**FINANCIAL HIGHLIGHTS**

Particulars	31-Mar-16 (Amount \$)	31-Mar-15 (Amount \$)
Gross Revenue	-	-
Less: Operating Expenses	3,150	645
Operating Profit / (Loss)	(3,150)	(645)
Current Tax	11,001	7,693
Tax Adjustments for earlier years	11,001	-
Net Profit /(Loss)	(25,152)	(8,338)

**DIVIDEND**

Your Directors express their inability to recommend Dividend for the year ended 31st March, 2016.

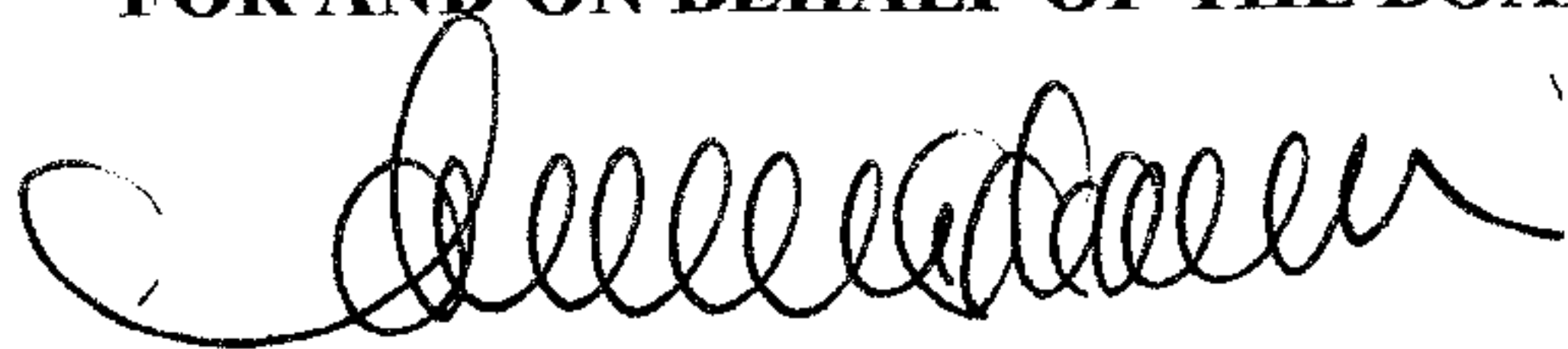
**PERFORMANCE**

During the year under review, your company has not recorded any revenue. The Company incurred a loss of USD 25,152 as compared to USD 8,338 in the previous year.

**ACKNOWLEDGEMENT**

Your Directors express their gratitude for the assistance and co-operation received from Bankers, Government Authorities, clients and business associates during the period under review.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



**SOHEL MALIK**  
**PRESIDENT**

Place: Mumbai

Dated: 30<sup>th</sup> May, 2016

GENESYS ENTERPRISES INC. USA

BALANCE SHEET AS AT MARCH 31, 2016

PARTICULARS	Note No.	AS	AT	AS	AT
		MARCH	31,	MARCH	31,
		2016		2015	
		US \$		US \$	
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>1) SHAREHOLDERS FUNDS</u></b>					
a) Share Capital	2	5,506,500		5,506,500	
b) Reserves & Surplus	3	(863,859)		(838,707)	
		4,642,641		4,667,793	
<b><u>2) CURRENT LIABILITIES</u></b>					
a) Trade Payables	4	392,555		376,004	
b) Other Current Liabilities	5	9,943		7,093	
		402,498		383,097	
<b>Total</b>		<b>5,045,140</b>		<b>5,050,890</b>	
<b><u>ASSETS</u></b>					
<b><u>1) NON-CURRENT ASSETS</u></b>					
a) Fixed Assets	6				
b) Long-Term Loans & Advances	7	818,590		818,590	
		818,590		818,590	
<b><u>2) CURRENT ASSETS</u></b>					
a) Trade Receivables	8	4,222,511		4,222,511	
b) Cash & Cash Equivalents	9	4,039		9,789	
		4,226,550		4,232,300	
<b>Total</b>		<b>5,045,140</b>		<b>5,050,890</b>	

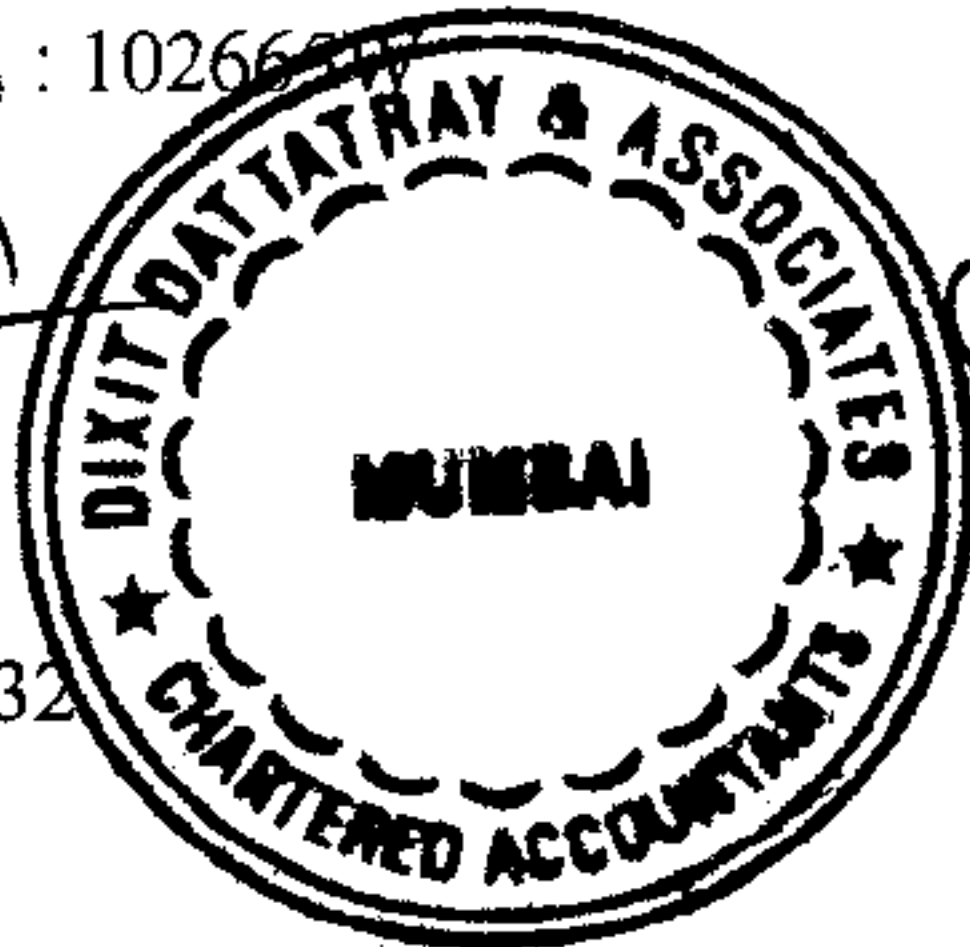
Notes to financial statements

1 to 14

As per our Report of even date attached  
For DIXIT DATTATRAY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No : 10266

For and on behalf of the Board Of Directors

D. B. DIXIT  
PROPRIETOR  
Membership No. 40032  
Date : May 30, 2016  
Place : Mumbai



SOHEL MALIK  
PRESIDENT

SAJID MALIK  
DIRECTOR

Date : May 30, 2016  
Place : Mumbai



GENESYS ENTERPRISES INC. USA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016


PARTICULARS	Note No.	FOR THE YEAR	FOR THE YEAR
		ENDED MARCH 31, 2016	ENDED MARCH 31, 2015
		US \$	US \$
<b>INCOME</b>			
Revenue from Operations		-	-
Other Income		-	-
<b>Total</b>			
<b>EXPENDITURE</b>			
Employee Benefit Expenses	10	-	-
Finance Costs	10	300	483
Depreciation & Amortization	6	-	-
Other Costs	10	2,850	162
<b>Total</b>		<b>3,150</b>	<b>645</b>
<b>Operating Profit / (Loss) Before Tax</b>		<b>(3,150)</b>	<b>(645)</b>
<b>Tax Expenses :</b>			
Short provision of earlier years		11,001	-
Current Tax		11,001	7,693
<b>Profit/ (Loss) After Tax</b>		<b>(25,152)</b>	<b>(8,338)</b>
Earning per Share (Equity Share, par value US \$10 each)			
Basic & Diluted		(0.05)	(0.02)
Number of shares used in computing earnings per share		550,650	550,650

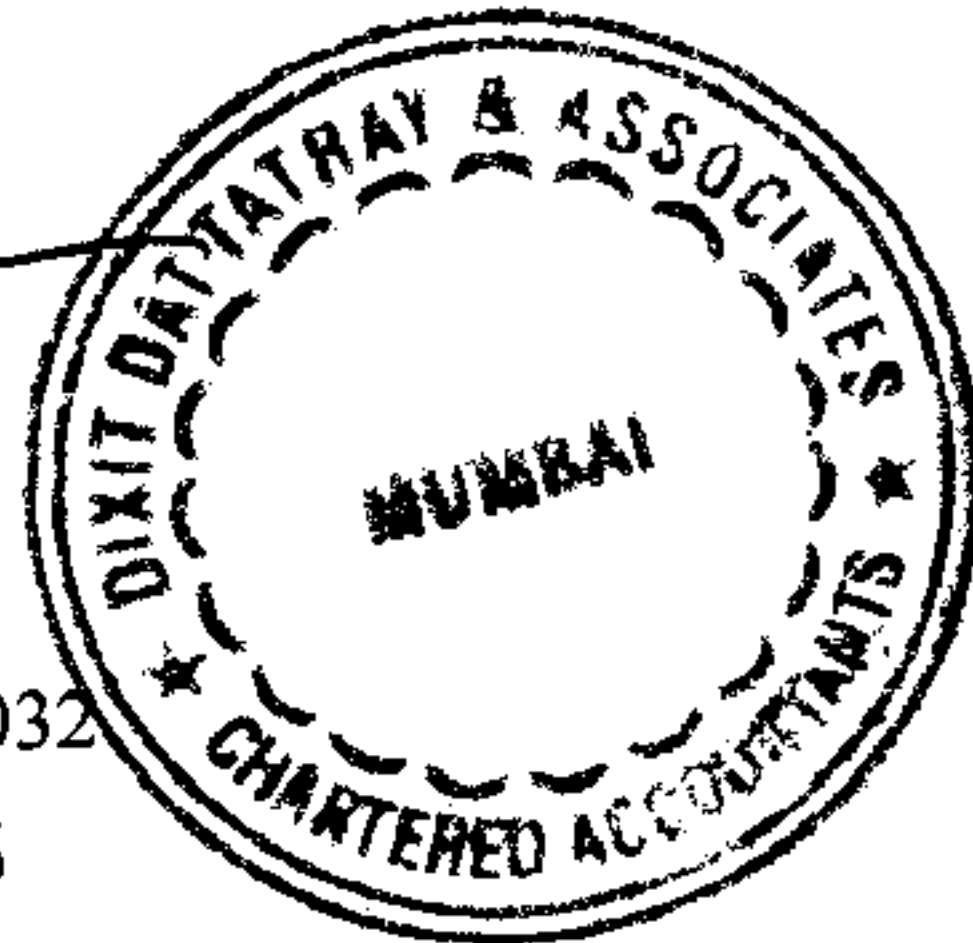
Notes to financial statements

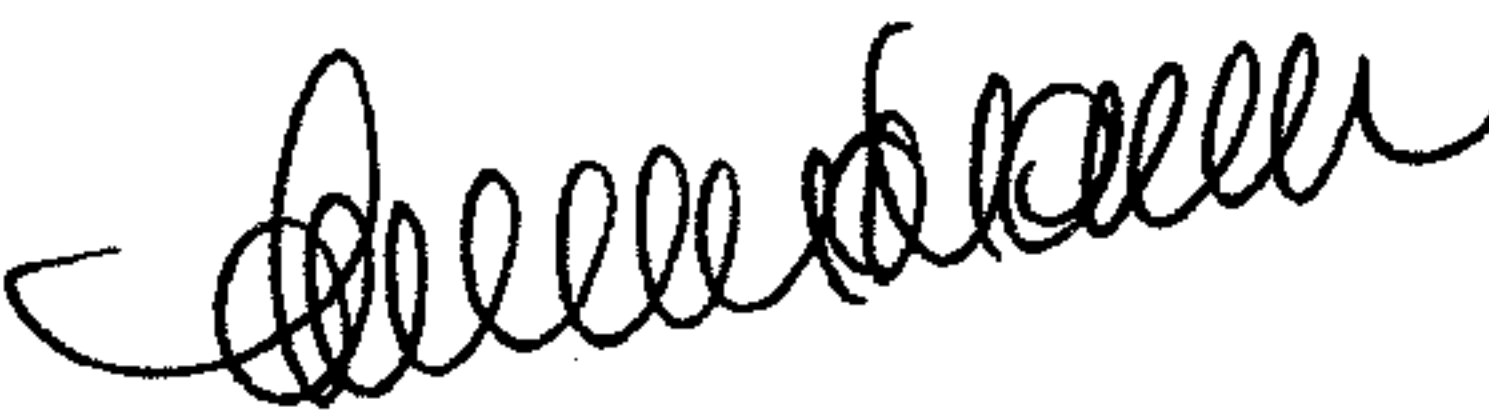

1 to 14

As per our Report of even date attached  
For DIXIT DATTATRAY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 102665W

For and on behalf of the Board Of Directors

  
D. B. DIXIT  
PROPRIETOR  
Membership No. 40032  
Date : May 30, 2016  
Place : Mumbai



SOHEL MALIK  
PRESIDENT

SAJID MALIK  
DIRECTOR

Date : May 30, 2016  
Place : Mumbai

GENESYS ENTERPRISES INC., USA

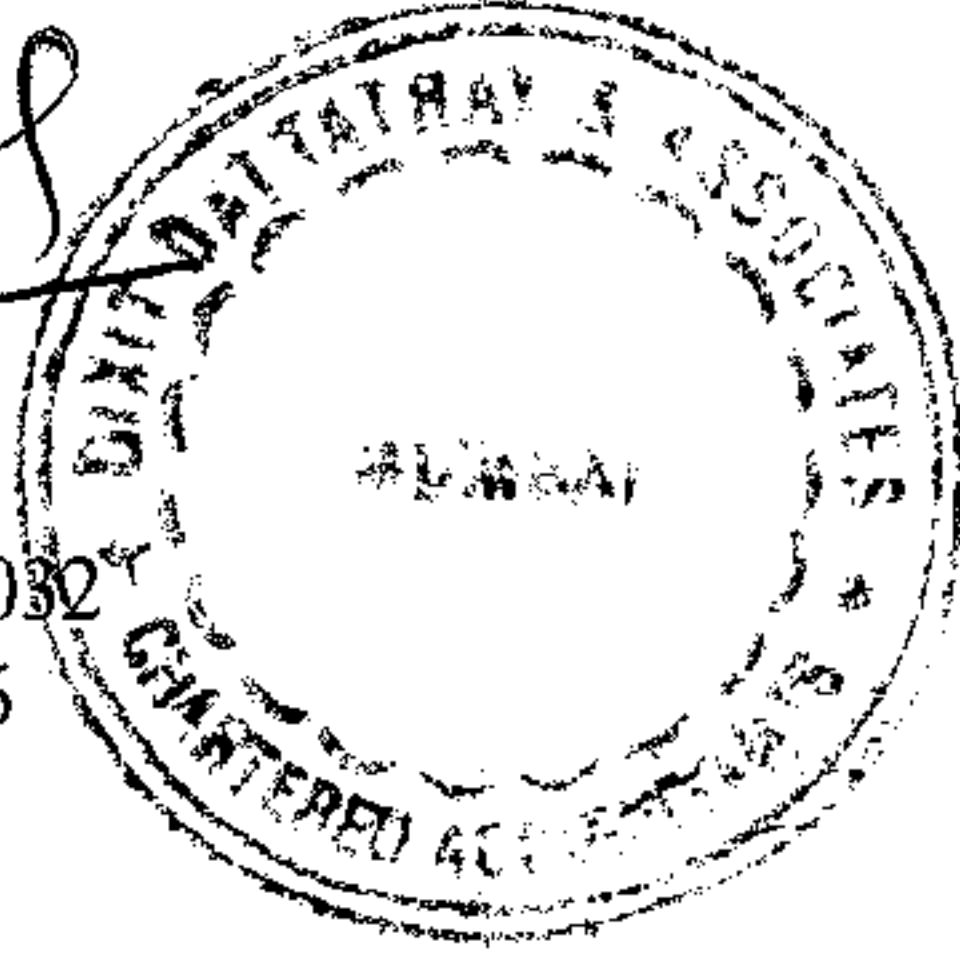
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTE No.	YEAR ENDED 31ST MARCH, 2016		YEAR ENDED 31ST MARCH, 2015	
		US \$	US \$	US \$	US \$
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit/(Loss) before tax and extraordinary items			(3,150)		(645)
Operating Profit before working capital changes			(3,150)		(645)
Adjustments for:					
Increase/ (Decrease) in Current Liabilities and Provisions		19,402		(184,960)	
<b>CASH GENERATED FROM OPERATIONS</b>			19,402		(184,960)
Taxes (Paid) / Refund			16,253		(185,605)
NET CASH FLOW FROM OPERATING ACTIVITIES			(22,002)		(7,693)
			(5,749)		(193,298)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>					-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>					-
NET INCREASE IN CASH & CASH EQUIVALENTS			(5,749)		(193,298)
CASH & CASH EQUIVALENTS (OPENING BALANCE)			9,789		203,087
CASH & CASH EQUIVALENTS (CLOSING BALANCE)	9		4,039		9,789

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

For DIXIT DATTATRAY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No. : 102665W

D. B. DIXIT  
PROPRIETOR  
Membership No. 40032  
Date : May 30, 2016  
Place : Mumbai



For and on behalf of the Board Of Directors

*Sohel Malik*  
SOHEL MALIK  
PRESIDENT

*Sajid Malik*  
SAJID MALIK  
DIRECTOR

Date : May 30, 2016  
Place : Mumbai

## **GENESYS ENTERPRISES INC.**

### **NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2016**

Genesys Enterprises Inc. (the "Company"), a wholly owned subsidiary of GI Engineering Solutions Limited (the "Parent"), was established, pursuant to the laws of the State of New York, in 1995. The Company operates in the area of computer programming outsourcing services and customized software development services.

#### **1. Significant Accounting Policies**

##### **Revenue Recognition**

Revenues if any, from outsourcing services and customized software development are recognized as services are rendered on a monthly basis. Revenue if any, derived under long-term contracts are recognized on the percentage-of-completion method applying the units-of-delivery basis. Under this method, revenue and costs are recognized according to the ratio of units delivered to total units to be delivered.

##### **Use of Estimates in Financial Statements**

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in which the results are known materialized. Any revisions to accounting estimates are recognized prospectively in current and future periods.

##### **Property and Equipment**

Property and equipment are carried at cost. When assets are sold or retired, the cost and related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and replacements, which substantially extend the lives of the assets are capitalized.

##### **Furniture, Fixtures and Improvements**

Furniture, fixtures and improvements are carried at cost. The cost of maintenance and repairs is charged to expense when incurred; significant renewals and replacements, which substantially extend the useful lives of the assets, are capitalized.

##### **Intangible Assets**

Intangible assets (software, trade names and trademarks) are being amortized over its estimated useful life of five years.

##### **Depreciation**

Depreciation on all assets is fully provided over the estimated useful lives of assets using straight-line method.

##### **Account Receivable**

The Company carries its accounts receivable at cost less allowances for doubtful accounts. The Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based on a history of past write-offs and collections and current credit conditions. Accounts are written off when deemed uncollectible.



GENESYS ENTERPRISES INC. USA

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

2. SHARE CAPITAL

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
<b>AUTHORISED</b>		
838,050 Shares of \$10 each Common Stock (Previous Year : 838,050 Shares)	8,380,500	8,380,500
<b>Total</b>	<b>8,380,500</b>	<b>8,380,500</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
550,650 (Previous Year : 550,650) Shares of \$10 each Common Stock	5,506,500	5,506,500
<b>Total</b>	<b>5,506,500</b>	<b>5,506,500</b>

3. RESERVES & SURPLUS

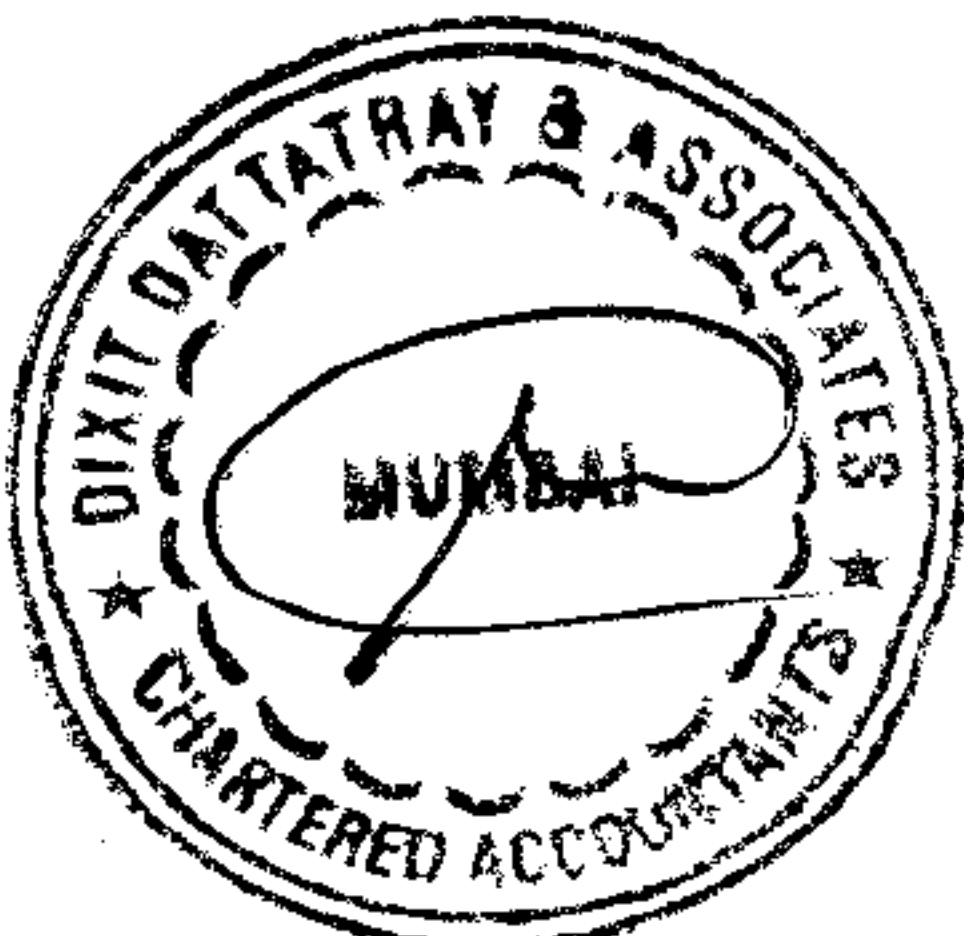
PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
SURPLUS/(DEFICIT) - Opening Balance	(838,707)	(830,369)
Add: Net loss after tax transferred from Statement of Profit and Loss	(25,152)	(8,338)
SURPLUS/(DEFICIT) - Closing Balance	(863,859)	(838,707)
<b>Total</b>	<b>(863,859)</b>	<b>(838,707)</b>

4. TRADE PAYABLES

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
Trade payables	392,555	376,004
<b>Total</b>	<b>392,555</b>	<b>376,004</b>

5. OTHER CURRENT LIABILITIES

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
Other payables	9,943	7,093
<b>Total</b>	<b>9,943</b>	<b>7,093</b>





GENESYS ENTERPRISES INC. USA

NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2016

**6. FIXED ASSETS**

Particulars	Original Cost				Depreciation/Amortization				Net Book Value	
	Opening Balance as on 1.04.15	Addition During the year	Sale During the year	Closing Balance as on 31.03.16	Up to 1.04.15	For the year	On Deduction	Up to 31.03.16	As at 31.03.16	As at 31.03.15
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$
<b>Tangible Assets</b>										
Computer Hardware	222,197	-	-	222,197	222,197	-	-	222,197	-	-
Furniture & Fixtures	170,539	-	-	170,539	170,539	-	-	170,539	-	-
Office Equipments	22,229	-	-	22,229	22,229	-	-	22,229	-	-
Vehicles	40,899	-	-	40,899	40,899	-	-	40,899	-	-
Leasehold improvement	73,319	-	-	73,319	73,319	-	-	73,319	-	-
sub total	529,183	-	-	529,183	529,183	-	-	529,183	-	-
<b>Intangible Assets</b>										
Goodwill and other intangible assets	140,417	-	-	140,417	140,417	-	-	140,417	-	-
sub total	140,417	-	-	140,417	140,417	-	-	140,417	-	-
<b>Total</b>	<b>669,600</b>	-	-	<b>669,600</b>	<b>669,600</b>	-	-	<b>669,600</b>	-	-
Previous Year	669,600	-	-	669,600	669,600	-	-	669,600	-	-



## 7. LONG TERM LOANS &amp; ADVANCES

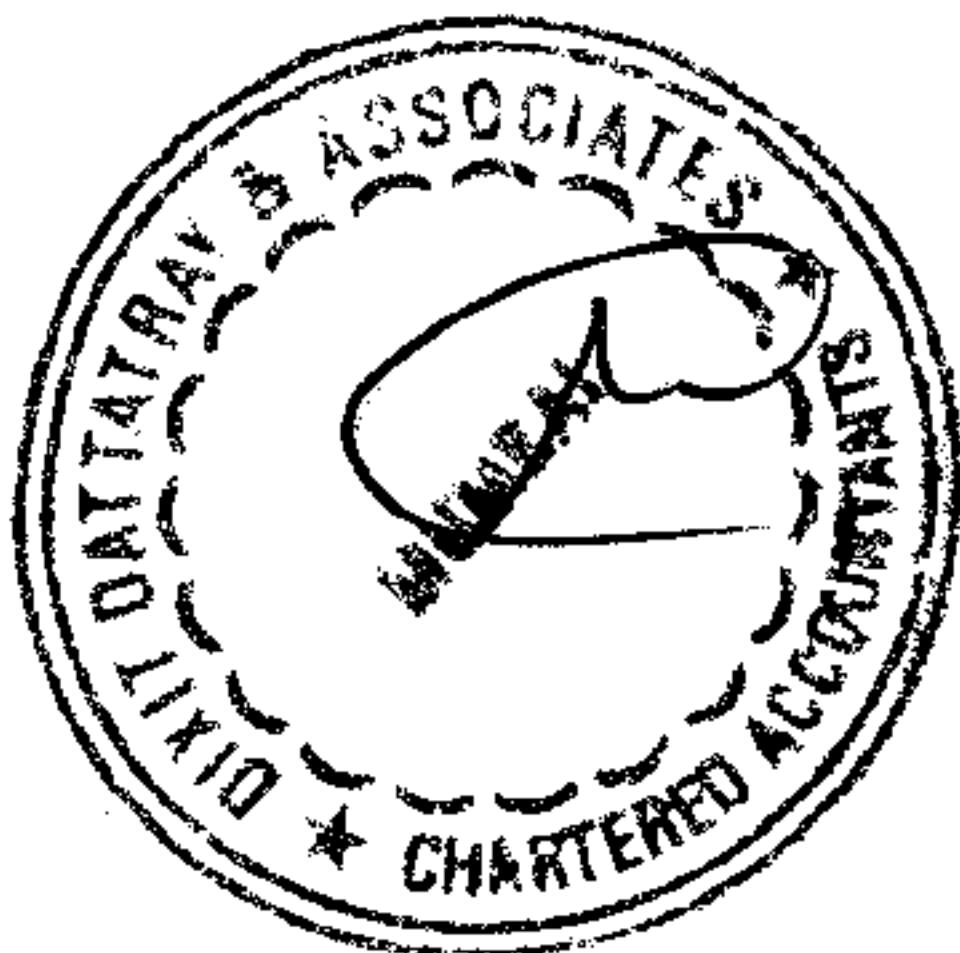
PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
Unsecured, considered good		
Other Loans & Advances		
Loan to Others	812,000	812,000
Prepaid Expenses	3,140	3,140
Other Deposits	3,450	3,450
<b>Total</b>	<b>818,590</b>	<b>818,590</b>

## 8. TRADE RECEIVABLES

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
Unsecured		
Due for more than six months	4,222,511	4,222,511
Considered good	283,675	283,675
Considered doubtful	4,506,186	4,506,186
Less : Provision for Doubtful Debts	283,675	283,675
	4,222,511	4,222,511
Others - Considered good	4,222,511	-
<b>Total</b>	<b>4,222,511</b>	<b>4,222,511</b>

## 9. CASH &amp; BANK BALANCES

PARTICULARS	AS AT 31ST MARCH 2016	AS AT 31ST MARCH 2015
	US \$	US \$
(a) Cash in Hand	300	-
(b) Balances with banks		
In Current Account	3,739	9,789
	3,739	9,789
<b>Total</b>	<b>4,039</b>	<b>9,789</b>



GENESYS ENTERPRISES INC. USA

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016

10. EXPENSES

PARTICULARS	2015-16	2014-15
	US \$	US \$
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
Salaries , Allowances & Bonus	-	-
<b>Total</b>		-
<b><u>FINANCE COSTS</u></b>		
Bank Charges	300	483
<b>Total</b>	300	483
<b><u>OTHER COSTS</u></b>		
Legal & Professional Fees	2,850	100
Miscellaneous Expenses		62
<b>Total</b>	2,850	162





**GENESYS ENTERPRISES INC.**

**NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2016**

**Income Taxes**

The Company is being taxed as a C-corporation under the provision of both the Internal Revenue Service Code and State laws.

**11. Related Party Transactions**

List of Related Parties :-

Holding Company – GI Engineering Solutions Limited, India

Associate Enterprises – Genesys International Corporation Limited, India

As of March 31, 2016, \$ Nil (Previous Year : \$ Nil) was payable to holding company and \$ Nil (Previous Year : \$ Nil) was receivable from associate enterprise.

**12. Trade receivable, net of allowance for doubtful accounts**

The following is the schedule for trade receivable, net of allowance for doubtful debts at March 31, 2016 and March 31, 2015 :

(Amount in \$)

Particulars	31-Mar-16	31-Mar-15
Trade Receivable	4,506,186	4,506,186
Less: Allowance for Doubtful Debts	283,675	283,675
Net Accounts Receivable	4,222,511	4,222,511

During the year company has not provided for doubtful debts since management is of the view that these debts will be collectible in the coming years.

**13. Long Term Loans & Advances**

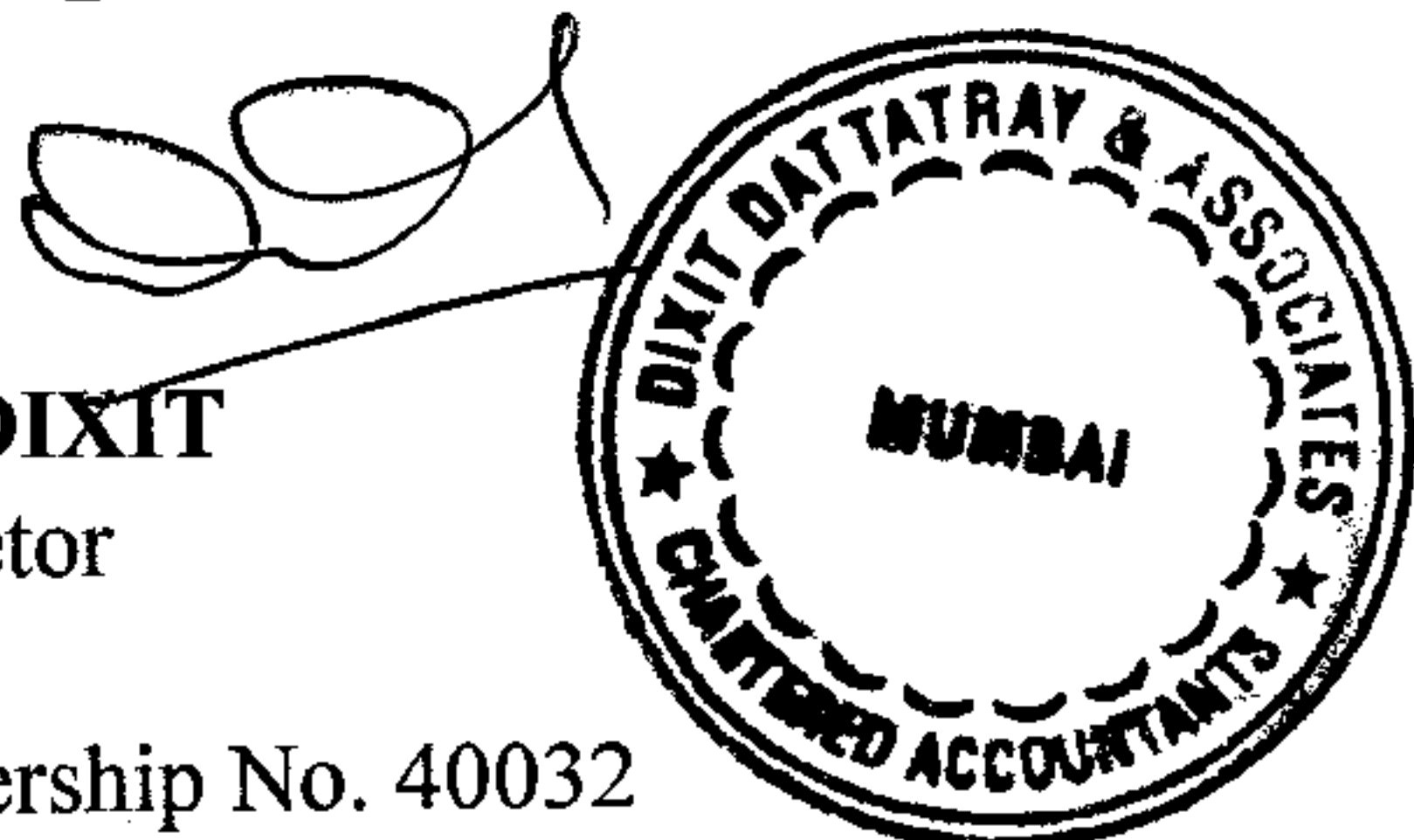
As of March 31, 2016, loans & advances consist of advances to two associates \$ 300,000 (Previous Year : \$ 300,000) and \$ 512,000 (Previous Year : \$ 512,000). The management of the Company is of the view that these advances will be collectible in the coming years.

14. Previous year's figures have been regrouped /reclassified to conform to the current year's presentation.

As per our Report of even date attached

**For DIXIT DATTATRAY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No.: 102665W**

**D. B. DIXIT**  
Proprietor



Membership No. 40032  
Mumbai: May 30, 2016

**For and on Behalf of the Board of Directors**

**SOHEL MALIK**  
President

**SAJID MALIK**  
Director