

19th Annual Report

2009-10

Telecom VAS

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**TeleCanor Global
Limited**

mCommerce

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CEO's MESSAGE

Dear Shareholders,

I write to you at what can easily be the most churning period for your company. Your company has shown unparalleled resilience during its entire existence, but last year was special yet fruitful, and the top line showed a three fold increase and the net profit much higher. This vindicated company's decision to move into IT sector as well as its perseverance to steer itself into the niche VAS related IT technology. From hereon I want to keep consolidating on the early gains and take a leap into VAS biz itself. The advent of 3G will give us yet another fillip , since technology is our exclusive terra-firma and more of it means less of competition Therefore, what confronts is renewed optimism and immense potential

Over the last 2 years things have drastically improved on all fronts. This is not so much due to any overwhelming improvement in sentiment rather than the result of evolving strategies by your company that took seed when the going was tough.

On the other hand there have been some disturbing developments. As you may have observed, a few disgruntled investors are continuously striving to damage the reputation of the company, continuously hoping to arm twist the company into committing undue favors. However company has shown great resolve and courage and are able to counter this pressure. I am confident that you will continue to support me in my confrontation with such elements, in the same manner as you have during the last EGM by giving an unanimous vote to the proposed resolutions.

And, I also want to bring to your kind attention, that your company has impressed upon Dhanalaxmi Bank, a highly professional bank, so much as to tie up for Cash Credit and Term Loan borrowings. This will herald the evolution of the company into financial leveraging albeit conservatively which ultimately will pave way for funding the proposed SEZ project.

The fruits of our endurance are now ripe for harvesting, it is a good time to keep invested and be part of the TeleCanor family.

Ram Praturi
CEO & Managing Director
Date : 14-08-2010.
Place : Hyderabad.

CORPORATE INFORMATION

Board of Directors: Mr. Maruti Ram Praturi Managing Director
Mr. Ramchander Murthy Director
Mr. D Seenu Reddy Director
Mrs. P Vijay Lakshmi Director

Company Secretary: Mr. B. Laxman (ACS – 20625)

Statutory Auditors: Mr. V Syam Sunder, Chartered Accountant
Plot No. 88, Krishna Enclave,
Indira Nagar, Tirumalagiri,
Secunderabad - 500 015

Bankers: ICICI Bank Limited
State Bank of India
State Bank of Hyderabad
Dhanalaxmi Bank Ltd

Registered Office: Imarat Park, 2nd Floor,
above Talwar Hyundai Showroom,
Road No. 2, Opposite to KBR Park,
Banjara Hills, Hyderabad – 500 0034
Telephone : +91(40)23551657/8
www.telecanor.com
Email : ram@telecanor.com

**Registrars &
Share Transfer Agent :** Venture Capital And Corporate Investments P Ltd
12-10-167, Bharat Nagar,
Hyderabad, 500018
Phone : +91 040-23818475/23818476/23868023
Fax : +91 040-23868024
Email: info@vccilindia.com

Notice of 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of the members of the Company Telecanor Global Limited (Corporate Identification Number - L45200AP1991PLC012974) will be held on Thursday the 30th Day of September 2010 at 10.30 A.M at the registered office of the Company situated at Imarat Park, 2nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad – 500 0034 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss account for the year ended on that date and directors and auditors Reports there on.
2. To appoint a Director in place of Mrs. P. Vijay Lakshmi, who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modifications, if any the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, applicable provisions of any other statutes M/s. B. Chakrapani & Co., Chartered Accountants, Hyderabad be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company in the place of Mr. V. Syam Sunder, Chartered Accountant, the retiring Auditors of the Company, for which the Company received a Special Notice from a member of the Company in terms of the Provisions of the Companies Act, 1956, signifying their intension to propose the appointment of M/s. B. Chakrapani & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, for which the Audit Committee as well as Board of Directors resolved at its meeting held on 14th August 2010 to place this resolution for appointment of M/s. B. Chakrapani & Co., Chartered Accountants as Statutory Auditors for which the Company had receive necessary consent from the proposed new Auditors.”

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 14-08-2010

Notes:

1. A Member entitled to attend and to vote is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be member of the Company. The proxy form in order to be effective, duly completed must be deposited at the Registered office of the Company not less than 48 Hours before the time fixed for the meeting.
2. Pursuant to Sec 154 of the Companies Act, 1956 and Clause 16 of Listing agreement, the Register of Members and Share Transfer Books will remain closed from 27-09-2010 to 30-09-2010 (Both days Inclusive).
3. Members/ Proxies are requested to bring Annual Report along with the attendance slip filled in for attending the meeting.
4. Queries on accounts and operations may please be sent to the Company 5 days in advance of the Annual General Meeting so that the answers may be made available at the meeting

Brief resume of Director retiring by rotation seeking re-appointment at this Annual General Meeting

Name of the Director	Mrs. P. Vijay Lakshmi
Date of Birth	15-09-1964
Date of Appointment	24-01-2002
Educational Qualifications	M. A. (Economics)
Expertise in specific functional areas	Human Resource Management and Administration of Organisation
Directorships held in other Public Companies (excluding Foreign Companies)	NIL
Memberships/ Chairmanships of Committees across public companies (Excluding Foreign Companies)	NIL
Share Holding in the Company as on 31 st March 2010	287479 Equity Shares

DIRECTORS' REPORT

To,
The Members
TELECANOR GLOBAL LIMITED

Your Directors are happy to present their Nineteenth Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

Particulars	(Rs. in lakh)	
	2009-10	2008-09
Income from Operations	804.25	269.58
Total Expenditure	430.71	204.30
Gross Profit/Loss after Interest	373.54	65.28
Depreciation	81.82	42.44
Current Tax	49.58	3.86
Profit After Current Tax	242.14	18.97
Deferred Tax	87.96	0.00
Net Profit/Loss	154.18	18.97

Total income in 2009-10 was Rs.804.25 Lakhs as against Rs. 269.58 Lakhs representing a three fold increase. Even, gross profit has shown a healthy increase of 470%. Profit after current tax increased by over 12 times and the net profit after current and deferred tax went up by 712%.

OPERATIONS:

ProZeal has conquered considerable popularity and your company has added more infrastructure to cater to the growing demand. Payment Gateway project has progressed and the company has received the prestigious PCI DSS certification for IVR payment gateway joining the elite group of certified IVR payment gateway enablers.

CURRENT YEAR AND FUTURE PLANS:

Company will continue to consolidate its position as techno-driven company in this niche area of VAS promotions. It has also embarked on a route to become a VAS provider on its own. With its presence across India, and its reliable & robust remote dialing capabilities, it has a distinct advantage over the others in the current 2G arena as well as the emerging 3G market.

The company is on its way to provide payment gateways to utility companies across India. Company has moved its registered office into a spacious location in the Banjara Hills area of Hyderabad City to reflect its stature as a multi faceted technology company with an outlook to grow at a rapid pace.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussions and Analysis Report, as required under the Listing Agreement with the Stock Exchanges forms part of the Report.

DIVIDEND :

In view of growth opportunities available to the Company, your directors recommend plough back of all profits. Consequently, there will be no dividend outflow from the Company.

DIRECTORS:

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mrs. P. Vijay Lakshmi, retires by rotation and being eligible offer herself for re-appointment at this Annual General Meeting.

CORPORATE GOVERNANCE:

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, forms part of the Report.

CEO'S DECLARATION:

Pursuant to the provisions of Clause 49(I)(D)(ii) of the Listing Agreement, a declaration by the Managing Director of the Company declaring that all the members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, is enclosed as Annexure to this Report

LISTING AT STOCK EXCHANGE:

The Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited and the annual listing fees for the year 2009-10 have been paid to the Exchange.

AUDITORS:

The Company has received a special notice from a shareholder of the Company, in terms of the provisions of the Companies Act, 1956, signifying the intention to propose the appointment M/s. B. Chakrapani & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. M/s. B. Chakrapani & Co., Chartered Accountants have also expressed their willingness to act as Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956.

Hence the resolutions for appointment of M/s. B. Chakrapani & Co., Chartered Accountants, as Statutory Auditors were placed for the approval of Shareholders at the Notice of this Annual General Meeting.

FIXED DEPOSITS

Your Company has not accepted/invited any deposits from the Public for the year under review within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

INFORMATION U/S. 217(1) (E) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Conservation of Energy, Technology Absorption, Foreign Exchange earnings and Outgo:

- a. Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.
- b. Technology Absorption: Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company continues its focus on quality up gradation of product and services development.
- c. Foreign Exchange earnings and outgo: During the year a Foreign Exchange of \$ 15,781 equivalent Rs. 7,29,490 has been received

PARTICULARS OF EMPLOYEES:

Statement of Particulars of Employees pursuant to the provision of Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules as amended

Name of Employee	Age	Designation	Gross Remuneration	Qualification	Experience in years	Date of Commencement	Particulars of last Employment
Mr. Maruti Ram Praturi	51 years	Managing Director	30,00,000	BTech, MBA (IIM)	23 Years	17/6/1991	Entrepreneur, Managing Partner of Yojana Constructions

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of the provisions of section 217(2AA) of the Companies Act, 1956 (Act), your Directors confirm as under:

1. That, in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;
2. That, the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

3. fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
4. That, the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
5. That, the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank all investors, business partners, clients, banks, regulatory and governmental authorities, stock exchanges and employees for their continued support.

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

Place: Hyderabad

Date: 14-08-2010

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed here in below:

2. Board of Directors

Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors. The Chairman is a Non-Executive Director. The number of Independent Non-Executive Directors is half of the Board's total strength. All Independent Non-Executive Directors comply with the legal requirements of being "Independent." Except the Managing Director, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

Name of the Director and their Director Identification Number (DIN)	Category	Designation	Directorship in other Companies @	Chairmanship in committees of Boards of other Companies \$	Membership in committees of Boards of other Companies \$
Mr. Maruti Ram Praturi DIN - 01556649	Promoter Director	Managing Director	Nil	Nil	Nil
Mr. Ramchander Murthy DIN - 00721759	Independent Non-Executive Director	Director	Nil	Nil	Nil
Smt. P. V. Lakshmi DIN - 01596535	Promoter Director and Non-Executive	Director	Nil	Nil	Nil
Mr. D. Seenu Reddy	Independent Non-Executive	Director	Nil	Nil	Nil

@ Directorships in private and foreign companies are excluded.

\$ Membership/Chairmanship of only Audit Committee and Shareholders Grievance Committee has been considered.

Board Procedure:

The calendar of meetings of the Board of Directors is determined well in advance and Notices of the Meetings of the Board are issued by the Company Secretary on the advice and guidance of the Managing Director. The agenda and notes thereon are finalised by the Managing Director and circulated sufficiently in advance by the Company Secretary.

Elaborate and meticulous deliberations take place at the meetings of the Board; all relevant information is put up to the Board and comprehensive presentations are made to it to facilitate considered and informed decision making. Heads of the business verticals also attend the meetings of the Board as invitees to provide a better perspective on the operations. The time gap between two meetings of the Board did not exceed four months.

Details of Board Meetings and Attendance:

During the financial year 2009-10 Board of Directors of the Company met Ten times on 08-04-2009, 22-05-2009, 30-06-2009, 31-07-2009, 14-08-2009, 24-08-2009, 26-10-2009, 16-11-2009, 30-01-2010 and 03-03-2010 The attendance details of the directors at the Board Meetings and last Annual General Meeting is as follows:

Name of the Director	Number of meetings held	Number of meetings attended	Whether attended the last AGM in 2009
Mr. Maruti Ram Praturi	10	10	Yes
Mr. Ramchander Murthy	10	7	No
Smt. P. V. Lakshmi	10	8	Yes
Mr. D. Seenu Reddy	10	9	Yes

Code of Conduct:

The Board has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

3. Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956. The terms of reference includes:

- a) Oversight of the company's financial reporting process.
- b) Recommending appointment and removal of external auditors and fixing of their fees.

- c) Reviewing with management the quarterly, half-yearly and annual financial results / statements with special emphasis on accounting policies and practices, compliances with accounting standards and other legal requirements concerning financial statements.
- d) Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- e) Reviewing the adequacy of internal control systems and significant audit findings.
- f) Discussion with external auditors regarding nature and scope of audit.

Composition and Attendance:

There are three members of the audit committee and all the members of the committee are Non-Executive in which two members are Independent Directors. Members of the Audit Committee are Mr. Ramchander Murthy, Mr. D. Seenu Reddy and Ms. P. V. Lakshmi. Mr. Ramchander Murthy is the Chairman of the Audit Committee. The Company Secretary Mr. B. Laxman acts as the Secretary to the Committee.

During the financial year 2009-10 Audit Committee met four times on 30-06-2009, 31-07-2009, 26-10-2009 and 30-01-2010. All the members of the Committee attended all the above meetings. Minutes of the Audit Committee are circulated to the members of the Committee and the Board is kept apprised.

4. Remuneration Committee :

The members of the Remuneration Committee of the Board of Directors of the Company are Mr. Ramchander Murthy, Mr. D. Seenu Reddy and Mrs. P. Vijay Lakshmi. Mr. Ramchander Murthy is the Chairman of the said Committee.

The terms of reference of the Remuneration Committee are:

- a) To review and approve / recommend the remuneration for the Corporate officers and Managing Director of the Company
- b) To review and recommend to the Board the remuneration policy for the Company.
- c) To approve grant of stock options to the employees and / or directors of the Company and subsidiary.
- d) To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

Remuneration Policy:

The Committee has the mandate to review and recommend compensation payable to the Managing Director and Senior Executives of the Company. No director other than Mr. Maruti Ram Praturi is drawing remuneration from Company. Mr. Maruti Ram Praturi is drawing remuneration for the services rendered in the capacity of Managing Director of the Company. The Company is paying a sitting fee of Rs.5000/- to the Non-Executive Directors for attending each board meeting.

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2009-10 are as follows:

					(In Rs.)
Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. Maruti Ram Praturi	Managing Director	30,00,000	NIL	NIL	30,00,000
Mr. Ramchander Murthy	Director	0	0	35,000	35,000
Smt. P. V. Lakshmi	Director	0	0	0	0
Mr. D. Seenu Reddy	Director	0	0	45,000	45,000

No other benefits, bonuses, stock options, pensions or performance-linked incentives are paid to directors except as mentioned above and there are no pecuniary relationships or transactions by the non-executive directors during the financial year.

Shareholding details of directors as on March 31, 2010 is as follows:

Name of the Director	No. of shares held
Mr. Maruti Ram Praturi	1101570
Mr. Ramchander Murthy	2738
Smt. P. V. Lakshmi	287479
Mr. D. Seenu Reddy	Nil

None of the Non-executive directors have any material pecuniary relationship or transactions with the Company.

5. Investor Grievance Committee

The Share Transfers and Shareholders Grievance Committee comprises of two non-executive directors and one executive director. The Chairman of the Committee is the Independent Director. The members are Mr. Ramchander Murthy (Chairman), Mr. P. Maruti Ram and Ms. P. V. Lakshmi. Mr. B. Laxman, Company Secretary is the Compliance Officer.

Scope of the Committee :

The scope of the Shareholders' Share Transfers and Shareholders Grievance Committee is to review and address the grievances of the shareholders in respect of share transfers, transmissions, dematerializations and rematerialisation of shares, dividend, change of address, and other miscellaneous matters. During the year under review the Company had resolved all the complaints from the shareholders and there are no pending shareholder complaints or share transfers as on date of this report.

Meetings and Attendance:

The Committee generally meets once in a month to approve share transfers, issue of duplicate shares and review matters connected with redressal of shareholders complaints.

6. Annual General Meetings

Details of the last three Annual General Meetings (AGM) are as follows:

Year/Period	Day, Date and Time	Location
2006-2007	Saturday, 29 th September 2007 at 9.30 A.M.	At the Registered office of the Company at G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.
2007-2008	Tuesday, 30 th September 2008 at 9.30 A.M.	At the Registered office of the Company at G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.
2008-2009	Wednesday, 30 th September 2009 at 10.30 A.M.	At the Registered office of the Company at G-1, Parameshwara Apartments 6-3-626, Anand Nagar, Khairatabad, Hyderabad – 500 004.

No special resolution was passed by the shareholders at the last three Annual General Meetings. No business was transacted through postal ballot at the last three Annual General Meetings. At the forthcoming Annual general Meeting no business is required to be transacted through postal ballot.

7. Disclosures:

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have any potential conflict with the interests of the Company.

There are no pecuniary relationship or transactions with non-executive directors vis-à-vis the Company, which has potential conflict with the interests of the Company at large.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures has been imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during last three years.

The Company has complied with all the applicable mandatory requirements of the revised Clause 49 of the Listing Agreement.

Prohibition of Insider Trading

In compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct for insider trading regulations which is applicable to all the directors, officers and such employee's of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company.

8. Means of Communication

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges, immediately after these are taken on record by the Board. These financial results are normally published in Business Standard/Indian Express (English) and Andhra Bhumi/Andhra Prabha/Andhra Jyothi (Telugu) Newspapers and are displayed on the website of the Company www.telecanor.com.

The official news releases and the presentation made to the investors/ analysts are also displayed on the Company's website.

Management Discussion and Analysis Report forms part of the Report of the Directors.

9. General Shareholders Information:

Registered Office & address for Correspondence:	Imarat park 2 nd Floor, above Talwar Hyundai Showroom, Road No.2, Opposite to KBR Park, Banjara Hills, Hyderabad - 500 034, Telephone : +91 40 23551657/8 Web : www.telecanor.com Email : ram@telecanor.com
Annual General Meeting: (Date, Time and Venue)	Thursday the 30 th Day of September 2010 at 10.30 A.M at the registered office of the Company situated at Imarat Park, 2 nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad – 500 0034
Financial Year:	April 1, 2009 to 31 st March 2010.
Book Closure:	September 27, 2010 to September 30, 2010 (both days inclusive)
Listing of Shares:	The Company shares are listed on The Bombay Stock Exchange Limited and The Hyderabad Stock Exchange Limited. The Company has paid listing fees for the financial year 2009-10 to The Bombay Stock Exchange Limited.
Stock Code	BSE 530595
ISIN Number for NSDL &CDSL	INE 381G01013
Share Transfer Agent:	Venture Capital And Corporate Investments P Ltd , 12-10-167, Bharat Nagar, Hyderabad, 500018 Phone : +91 040-23818475/23818476/23868023 Fax : +91 040-23868024 Email: info@vccilindia.com
Share Transfer System:	Equity Shares lodged for transfer in physical mode are normally registered within 15 days from the date of receipt. The Share Transfer Agent is handling all the Share Transfers and related transactions. As on March 31, 2010, no share transfer or complaints were pending.
Details on use of public funds obtained in 3 years	No fund was raised from public during the last three years

Address for Correspondence:	Mr. B. Laxman, Company Secretary, TeleCanor Global Limited Imarat Park, 2 nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad – 500 0034, Telephone : +91(40)23305484, www.telecanor.com , Email : ram@telecanor.com
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Dematerialization of Shares and liquidity:

The Shares of the Company are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2010, 3225096 Equity Shares of the Company forming 57.03 % of the Share Capital of the Company, stand dematerialized.

Identification Number of scrip given by NSDL and CDSL is INE381G01013.

Market Price Data in the last financial year:

The high/low market price of the shares during the financial year 2009-10 at The Bombay Stock Exchange Limited (BSE) is as given below.

Stock Exchange Limited (BSE) is as given below.

Month	BSE–High	BSE–Low	Month	BSE–High	BSE–Low
April 2009	17.01	12.53	October 2009	47.00	32.50
May 2009	21.05	12.50	November 2009	30.90	23.85
June 2009	23.00	17.15	December 2009	28.80	22.75
July 2009	34.55	19.10	January 2010	34.45	21.20
August 2009	39.80	31.10	February 2010	35.75	27.80
September 2009	39.05	33.45	March 2010	36.35	25.55

Category wise Shareholding as at March 31, 2010.

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters	1398916	15.70
Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies	16100	0.18
FII's	Nil	Nil
Private Corporate Bodies	1842735	20.70
Indian Public	5195170	58.30
Non-Resident Indians	429590	4.81
Overseas Body Corporates	Nil	Nil
Clearing Members	28203	0.31
Total	8910714	100

Distribution of Shareholding as at March 31, 2010.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 – 5000	1751	61	504286	5.66
5001 – 10000	606	21	511449	5.74
10001 – 20000	248	9	384457	4.31
20001 – 30000	57	2	149490	1.68
30001 – 40000	46	2	164790	1.85
40001 – 50000	35	1	163216	1.83
50001 – 100000	57	2	497150	5.58
100001 & above	74	3	6535876	73.35
Total	2874	100	8910714	100

Shareholding details of directors as on March 31, 2010 is as follows:

Name of the Director	No. of shares held
Mr. Maruti Ram Praturi	1101570
Mr. Ramchander Murthy	2738
Smt. P. V. Lakshmi	287479
Mr. D. Seenu Reddy	Nil

None of the Non-executive directors have any material pecuniary relationship or transactions with the Company.

Declaration

I, Maruti Ram Praturi, Managing Director do hereby declare that pursuant to the provisions of Clause 49(I) (D) (ii) of the Listing Agreement, all the members of the Board and the Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company.

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 14-08-2010

Management Discussion and Analysis

1. Overview

The financial statements have been prepared as per the requirements of the Companies Act, 1956. There are no material departures from the prescribed accounting standards in the adoption of the accounting standards. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflects in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year

2. Industry Structure and Developments

1. Overview of Mobile VAS business and ProZeal:

Your company is committed firmly in the Mobile VAS business and is increasing its investment in this infrastructure as well as hiring the required personnel. To this end the company has tied up with M/s. Dhanalaxmi Bank for Rs. 1.00 Crore (One Crore) as Cash Credit Limit to meet the working capital requirements and Rs. 3.29 Crores (Three Crores and Twenty Nine Lakhs) as Term Loan for renovation and up-gradation of office , VAS and Payment Gateway infrastructure of the Company. The total limits sanctioned were Rs. 4.29 Crores (Four Crores and Twenty Nine lakhs).

Company has achieved considerable reputation in the VAS industry as a promotion company that is reliable.

2. During the course of the last year, there were distinct changes in the application development business which was a result of declining demand from the traditional markets. Company will be cautious in increasing its exposure in these traditional Information Technology areas such as Enterprise Integration Architecture, Geographical Information Systems etc.

3. Payment gateway business

Company has a distinct advantage in this line since it has in-house technology products for both inbound and outbound voice response systems. Its efforts to acquire customers for this line of business are going in the positive direction and the management is confident that this division will take off during this year.

3. Further activity on SEZ development

Your company is continuing to look out for advice from consultants in the field of SEZ development to understand and factor in the resources for foraying into this line with appropriate advantage on collaboration/partnerships with the formidable players in this line, subject to approvals.

4. Opportunities and Threats

Your company's product line in VAS promotion and IVR business will be a big asset in the opportunities opening up due to entry of more mobile operators who are aspiring to earn considerable revenues from the Indian market. Your company's adoption of 4th generation programming language will be a great asset in deployment of multi-mode payment gateways that are the order of the day for many operators and business houses.

5. Segment-wise Performance

The company' has successfully focused its thrust on Information Technology and telecom related activities and hence most of the activity is in this line.

6. Outlooks

VAS promotion business as well as direct VAS business along with Payment Gateway business are expected grow and your company will utilize its distinct advantages in the form of manpower and technology for quick penetration and consolidation.

7. Risks and concernss

The management does not perceive any significant risk in these lines of business.

8. Internal Control system and their adequacys

Your Company has adequate internal control system using internal resources for the nature and scale of operations .As such it is continuously striving to improve these systems and appoint external agencies if necessary, as and when the operations grow to the desired level.

9. Discussions on financial performance with respect to operational performances

Due to the heavy response from the user groups, there is significant 200% growth in the revenues of the main division of the company with a jump of 713% in the bottom line. Due to company's policy of adding value to the product by adding more modules the yields are expected to increase in the existing product lines.

10. Disclosures on transactionss

The company has in adverse transactions with any of its directors or members of the board and/or the company. The transactions with related Appear in the notes to the accounts.

AUDITORS REPORT

The Members

M/s. Telecanor Global Limited

1. I have audited the attached Balance Sheet of TELECANOR GLOBAL LIMITED, as at March 31, 2010, the Profit & Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted the audit in accordance with the auditing standards generally accepted in India. These standards require that I 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 the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the Annexure referred to above, I report that:
 - i) I have obtained all the information and explanations, which to the best of my knowledge and belief was necessary for the purposes of my audit ;
 - ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In my opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 ;
 - v) On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as director in terms of clause (g) of Subsection 1 of section 274 of the Companies Act, 1956
 - vi) In my opinion and to the best of my information and according to the explanations given to me, the said accounts read together with accounting policies and other notes attached thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

FOR V. SYAM SUNDER
CHARTERED ACCOUNTANT

V.SYAM SUNDER
CHARTERED ACCOUNTANT
Membership No.25979

PLACE: SECUNDERABAD
DATE : 30-06-2010

RE. TELECANOR GLOBAL LIMITED

Annexure to Audit Report

Referred to in paragraph 3 of our report of even date.

- (i) a. The company has maintained records showing full particulars including quantitative details of situation of fixed assets.
 - b. The fixed assets were physically verified by the management during the year, and discrepancies noticed on such verification have been properly dealt with in the accounts.
 - c. During the year, the company has not disposed/written down any fixed assets.
- (ii) a. The management of the company has conducted physical verification of its inventories adequately during the year.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company, as per the information and explanations provided, has not accepted or taken loans from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and hence the matters regarding rate of interest, terms & conditions of loans, repayments and overdue amounts more than Rs. 1 Lakh are not applicable.
- (iv) In my opinion and according to the information and explanations given to me, apart from certain procedures that need strengthening on an ongoing basis, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of my audit, no major weakness has been noticed in internal controls.
- (v) a. According to the information and explanations given to me, I am of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
 - b. In my opinion and according to the information and explanations given to me, the transactions, if any, 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 prevailing market prices at the relevant time. There are no such transactions.
- (vi) The company has not accepted deposits from the public and hence the provisions of Section 58 A of the Companies Act, 1956 and the rules framed there under are not applicable to the company. In the company's case, no order has been passed by the Company Law Board.

- (vii) The company has not yet established a formal internal audit system and the company functions with a detailed review of transactions by its audit committee, which is commensurate with the size and nature of its present business.
- (viii) As per the information provided by the Management, that the Company is not covered by the rules made by the Central Government for the maintenance of cost records under Sec 209 (I)(d) of the Companies Act, 1956.
- (ix) (a) As per the information provided by the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues for Income Tax, Wealth Tax, Sales Tax & other statutory dues applicable to it excepting Rs.3.11 lacs towards income tax, Rs.0.75 lacs towards Fringe Benefit Tax, Rs.3.91 lacs towards TDS for the financial year 2008-09, Rs.7.33 lacs Towards TDS for the financial year 2009-10, Rs. 1.1 lacs towards indirect taxes. We are informed that the company has no liability towards gratuity and that the provisions of the Provident Fund & ESI Act are not applicable to it.
(b) We are informed that there are no dues of sales tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In my opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash loss during the financial year.
- (xi) In my opinion and according to the information and explanations given to me, the company has no amounts due and hence not defaulted in repayment financial institution, bank or debenture holders.
- (xii) I am of the opinion, and according to the information and explanations given to me that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, the company is not a chit fund or a nidhi, mutual benefit, fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In my opinion and according the information provided and explanations given that the company has not taken any term loans during the year under audit.

- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that the no funds raised on short term basis have been used for long-term assets except permanent working capital.
- (xviii) According to the information and explanations given to me, the company has made preferential allotment of shares to parties covered in the register maintained under section 301 to Mr.P.Maruti Ram, Equity Shares of 393500 of Rs. 10/- each at a premium of Rs.1.80 and Ms.P.Vijaya Lakshmi Equity Shares of 176500 of Rs.10/- each at a premium of Rs.1.80 as per DIP guidelines and applicable ICDR guidelines. In my opinion, the prices at which share warrants have been issued are not prejudicial to the interest of the company.
- (xix) According to the information and explanations given to me, the company has not issued any debentures during the year under audit or any period prior to it.
- (xx) According to the information given that the company has not made any public issue during the year. Hence this clause is not applicable.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

For **V SYAM SUNDER**
CHARTERED ACCOUNTANT

V SYAM SUNDER
CHARTERED ACCOUNTANT
Membership No. 25979

Place : Secunderabad
Dated : 30-06-2010

Auditor's Certificate on Compliance with Corporate Governance pursuant to Clause 49 of the Listing Agreement.

The members of
TeleCanor Global Limited

1. I have examined the compliance of conditions of Corporate Governance by TeleCanor Global Limited (the Company) for the year ended March 31, 2010, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In my opinion and to the best of our information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 14-08-2010

V. Shyam Sundar
Chartered Accountant

TELECANOR GLOBAL LIMITED
(Formerly Victory Projects Limited)

Cash Flow Statement

	As on 31-3-2010 Rs.	As on 31-3-2009 Rs.
A. Cashflow from Operations		
Netprofit before Interest and Taxes	29,172,341	2,283,022
Adjustment for Depreciation	8,181,656	4,244,911
Profit before working capital changes	37,353,997	6,527,933
(Increase)/Decrease in Current Assets	(17,515,022)	(9,694,566)
(Increase)/Decrease in Current Liabilities	13,399,245	(8,471,955)
Income taxes paid		
Net Cash used in operating activities	33,238,221	(11,638,588)
B. Cashflow from Investing Activities		
(Increase)/Decrease in Fixed Assets	(52,851,878)	(6,686,761)
C. Cash flow from Financing Activities	31,000,572	19,210,950
D. Net Cash outflow/ Inflow	11,386,915	885,601
E. Cash and Cash Equivalents as at Beginning	1,034,931	149,330
G. Cash and Cash Equivalents as at Ending	12,421,846	1,034,931

Accounting Policies and Notes to Accounts Annexed
for V Syam Sunder
Chartered Accountant

For and on behalf of the Board

V.Syam Sunder
Chartered Accountant
M.No.025979
Date : 30/06/2010

P.Maruti Ram
Managing Director

D Seenu Reddy
Director

B.Laxman
Company Secretary

TELECANOR GLOBAL LIMITED
(Formerly Victory Projects Limited)
Balance Sheet as at 31st March 2010

	Schedule	31.03.2010	31-03-2009
			Rs
Sources of Funds			
Shareholders funds:			
a) Share Capital	1	93,542,857	69,230,465
b) Reserves & Surplus	2	325,833,020	319,144,840
c) Deferred Tax Liability		8,796,170	-
Total		<u>428,172,047</u>	<u>388,375,305</u>
Application of Funds			
Fixed Assets (Gross Block)	3	408,304,403	355,452,525
Less: Depreciation		24,538,485	16,356,829
Net Block		<u>383,765,918</u>	<u>339,095,696</u>
Net Current Assets			
a) Current Assets, Loans & Advances	4	60,452,084	31,550,149
b) Current Liabilities & Provisions	5	22,758,480	37,693,604
		4,401,590	27,148,559
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Debit Balance in Profit & Loss Account		6,712,525	22,131,050
Total		<u>428,172,047</u>	<u>760,184,659</u>

Accounting Policies and Notes to Accounts Annexed
for V Syam Sunder
Chartered Accountant

For and on behalf of the Board

V.Syam Sunder
Chartered Accountant
M.No.025979
Date : 30/06/2010

P.Maruti Ram
Managing Director

D Seenu Reddy
Director

B.Laxman
Company Secretary

TELECANOR GLOBAL LIMITED
(Formerly Victory Projects Limited)
Profit & Loss Account for the year ended 31st March 2010

Particulars	Schedule	Current Year 31-03-2010 Rs	Previous Year 31-03-2009 Rs
Income			
Income from operations	6	80,424,582	26,958,071
Total		80,424,582	26,958,071
Expenditure			
Cost of materials and labour	7	3,150,383	342,740
Operating, Administration & other Expenses	8	39,920,202	20,087,399
Depreciation	3	8,181,656	4,244,911
Total		51,252,241	24,675,050
Profit Before Tax		29,172,341	2,283,021
FBT		-	75,000
Current Tax		4,957,645	311,000
Deferred Tax		8,796,170	
Profit After Tax		15,418,526	1,897,021
Balance b/f from previous year		(22,131,051)	(24,028,072)
Balance carried to Balance sheet		(6,712,525)	(22,131,051)
Basic EPS		1.73	0.43
Diluted EPS		1.73	0.18

Accounting Policies and Notes to Accounts Annexed
for V Syam Sunder
Chartered Accountant

for and on behalf of the Board

for V Syam Sunder
Chartered Accountant
M.No.025979

P.Maruti Ram
Managing Director

D Seenu Reddy
Director

B.Laxman
Company Secretary

Place: Hyderabad
Date : 30/06/2010

Telecanor Global Limited
Schedules to Balance Sheet

Schedule 1 :		As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Share Capital			
	Authorised Share Capital 12,000,000 equity shares of Rs 10 each (Pr Yr. 12,000,000 Equity Shares of Rs.10 each)	<u>120,000,000</u>	<u>120,000,000</u>
	Issued, subscribed & paid up 8910714 (Previous Year 5654114) equity shares of Rs 10 each	89,107,140	56,541,140
	Less :		
	Share allotment money due	(3,319,125)	(3,571,625)
	Share Warrants	-	6,463,450
	Share Warrants Balance	-	9,797,500
	Expired share Warrants	7,754,842	-
	Total	<u><u>93,542,857</u></u>	<u><u>69,230,465</u></u>
Schedule 2 :			
Reserves & Surplus			
	General Reserve	350,000	350,000
	Share Premium	30,648,680	24,213,000
	Less : Premium due on share allo	<u>920,375</u>	<u>1,172,875</u>
		29,728,305	23,040,125
	Revaluation Reserve	295,754,715	295,754,715
	Total	<u><u>325,833,020</u></u>	<u><u>319,144,840</u></u>

Schedule 3 :
Fixed Assets

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2009 Rs.	Additions Rs.	Deletions Rs.	As on 31.3.2010 Rs.	As at 01.04.2009 Rs.	For the year Rs.	Deletions Rs.	As on 31.3.2010 Rs.	As on 31.3.2009 Rs.
Land	311,987,397	3,160,547	-	315,147,944	-	-	-	315,147,944	311,987,397
Buildings	187,501	-	-	187,501	73,898	6,263	-	107,340	113,603
Aqua Ponds	19,095,808	-	-	19,095,808	9,927,682	907,051	-	8,261,075	9,168,126
Furniture & Fixtures	450,015	14,673	-	464,688	331,885	29,407	-	103,396	118,130
Office equipments	561,666	-	-	561,666	372,632	26,679	-	162,355	189,034
Computers	1,361,725	46,400	-	1,408,125	1,040,739	220,827	-	146,559	320,986
VAS & PG Infra	-	27,004,275	-	27,004,275	-	1,922,959	-	25,081,316	-
Software and License Rights	2,100,000	-	-	2,100,000	420,000	420,000	-	1,260,000	1,680,000
Proprietary Software	5,171,611	12,991,020	-	18,162,631	2,394,490	1,623,378	-	14,144,763	2,777,121
Software Product	8,006,871	-	-	8,006,871	1,795,503	1,601,374	-	4,609,994	6,211,368
Server & Hardware	5,779,931	2,157,083	-	7,937,014	-	553,596	-	7,383,418	5,779,931
Infrastructure	750,000	7,477,880	-	8,227,880	-	870,123	-	7,357,757	750,000
GIS-GPS Software	-	-	-	-	-	-	-	-	-
Total	355,452,525	52,851,878	-	408,304,403	16,356,829	8,181,656	-	383,765,918	339,095,696
Previous Year	348,765,764	6,686,761	-	355,452,525	12,111,918	4,244,911	-	339,095,696	336,653,846

	<u>As at</u> <u>31.03.2010</u> <u>Rs.</u>	<u>As at</u> <u>31.03.2009</u> <u>Rs.</u>
Schedule 4 :		
Current Assets, Loans & Advances		
Sundry debtors(Unsecured and considered good)		
Exceeding 6 months	2,384,739	6,627,192
Others	28,969,561	11,530,270
Cash in Hand	882,817	172,513
Balances with scheduled banks		
In Current A/c	7,930,508	862,417
In Deposit A/c	3,608,519	-
Advances recoverable in cash or in kind or for value to be received	3,599,281	1,262,547
Deposits	501,436	19,986
Advances for Construction Project Lands	4,446,423	4,446,423
Proposed SEZ- Project Land Advances	8,128,800	6,628,800
Total	<u><u>60,452,084</u></u>	<u><u>31,550,148</u></u>
Schedule 5 :		
Current Liabilities & Provisions		
Sundry creditors	4,928,524	269,427
Amounts due to Directors	3,760,506	519,656
Provisions	12,019,737	3,612,507
Share warrant contro	2,049,713	-
Total	<u><u>22,758,480</u></u>	<u><u>4,401,590</u></u>
	Year ending 31.03.2010	Year ending 31.03.2009
	<u>Rs</u>	<u>Rs</u>
Schedule:6		
Income From Operations		
Income from IT Operations	79,485,667	26,643,896
Income from Aqua	349,070	312,000
<u>Other Income</u>		
Interest on share money allotment money Due	571,475	-
Interest on F.D's	18,370	2,175
Total	<u><u>80,424,582</u></u>	<u><u>26,958,071</u></u>
Schedule 7 :		
Material Cost	3,150,383	342,740
Total	<u><u>3,150,383</u></u>	<u><u>342,740</u></u>
Schedule: 8		
Operating, Administrative & Other Expenses		
Salaries	8,158,569	5,441,862
Rent and amenities	6,673,245	2,797,000
Travel & Conveyance	2,288,071	864,125
Communication Expenses	1,699,024	721,282
Computer Maintenance Expenses	6,796,086	1,189,569
Legal & Professional Charges	796,028	529,000
Audit Fees	250,000	150,000
Other expenses	1,210,541	2,006,462
Office and Site Locations Maintenance	9,048,637	3,388,099
Directors Remuneration	3,000,000	3,000,000
Total	<u><u>39,920,201</u></u>	<u><u>20,087,399</u></u>

NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2010

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Method of Accounting
 - a. The financial statements are prepared on a going concern basis with historical costs in accordance with the accounting standards prescribed in Sec 211 (3C) of the Companies Act, 1956.
 - b. The financial statements are prepared following the accrual method of accounting excepting incomes with significant uncertainties.
2. Income Recognition
 - a. In respect of income from IT operations, on the basis of stage of contractual entitlements.
 - b. In respect of aquaculture operations, at the point of sale.
 - c. In respect of construction operations, Cost of land comprises land acquired on outright sale, as agreement holder, or as holder of development right at acquisition cost.
3. Fixed Assets
The fixed assets are accounted at acquisition cost, which includes costs incidental to such acquisition and revenue costs, if any, incurred during the construction period. The fixed assets are depreciated at straight line rates prescribed in Schedule XIV of the Companies Act, 1956 excepting proprietary software and GIS-GPS being depreciated at 20% over 5 years on prorata basis.
4. Inventories
Finished goods are valued at cost or net realizable value which ever is lower.
5. Gratuity :
The provision for gratuity liability is not made as it is not applicable. As the terms of employment of Managing Director is of contractual nature and does not provide for payment of gratuity, no provision has been made.
6. Taxes on income
Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Provisions for Deferred taxes is made in accordance with Accounting standard 22 of the Institute of Chartered Accountants of India for the timing difference between tax on profit under Income Tax Act and the Companies Act resulting in deferred tax liability of Rs.87,96,170/-.
7. Accounting for Foreign Exchange Transactions: Transactions in foreign exchange currencies are recorded at the rate ruling on date of the transaction. Monetary items of assets and liabilities are translated on reporting date. Exchange differences are recognized, if any material, in the profit and loss account for the period. However there are no such items to be recognized.
8. Contingencies and Events occurring after Balance Sheet date:
 - a. Estimated amount of contracts remaining to be executed for capital account and not provided for is Rs.82,25,450/- (Previous year Nil)
 - b. The company at its EGM dated 25th June 2010, pursuant to allotment of Equity Shares to Share Warrant Holders, has resolved to forfeit the balance of share warrant amounts received for non receipt of consent for allotment/or incomplete amount from the applicants.
 - c. The company was sanctioned a Term Loan of Rs.329,00,000/- and a working capital limit of Rs.100,00,000/- by Dhanalaxmi Bank Ltd against the security of Plant & Machinery as proposed and Book Debts as Primary Security and Company's land of 26.8 acres as Equitable Mortgage towards collateral security and 700,000/- Equity Shares of the company belonging to the promoter group.

B. Other Notes :

1. **Segment reporting :** The company has identified three reportable segments, viz. Construction, Information, Technology and Aquaculture, in terms of the requirements of Accounting Standard – 17 of the Institute of Chartered Accountants of India. The accounting policies of the adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

SEGMENTAL RESULTS	31.03.2010 Rs.Lakhs	31.03.2009 Rs.Lakhs
1 Segment Revenue		
a. I T Operations & Other operations	794.86 0.00	266.40 0.02
b. Construction	0.00	0.00
c. Aqua Operations	3.49	3.10
Net Sales	798.35	269.52
2 Segment Results		
Profit/(Loss) before Interest and Tax		
a. I T Operations	302.56	44.13
b. Constructions &	0.00	0.00
c. Aqua Operations	(10.84)	(21.30)
Total	291.72	22.83
3 Capital Employed		
a. I T Operations	973.14	393.16
b. Constructions &	43.45	43.45
c. Aqua/SEZ Operations	335.52	282.22

2 Related Party Disclosures

In compliance with the requirements of Accounting Standard 18, the following are the details of transactions with key management personnel:

Name	Opening Balance	Rent	Remuneration	Current Account	Amount Paid/TDS Deduction	Closing
P.Maruti Ram	519,656	0	3,000,000		2,659,700	859,956
P.Vijaylakshmi		1,800,000	0	2,759,600	1,659,050	2,900,550

3. Micro, Small Scale Business Entities

The Company has not received information from vendors regarding their status under the Micro, small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as the year end together with interest paid/payable under this Act has not been given.

C. MISCELLANEOUS:

	31.03.2010 Rs.	31.03.2009 Rs.
a) Particulars of Purchases, Sales & Stocks		
Sale: IT Operation	79485667	26643896
Sale: Aquaculture	349070	312000
Cost of Aquaculture	224343	217821
b) Quantitative particulars of Materials		
Consumption		
Aqua Feed and chemicals (Kgs)	4019 Kgs & 84121 pcs	16012Kgs & 212891pcs
IT Operations	29 Servers	23PCS
Consumables – IT operations	Not quantifiable	Not Quantifiable
Land and Building Division Materials		
c) Capacity & Production:		
The installed capacity of aqua ponds is regulated by the MPED Authority based on their norms and is indeterminate at the present point of time. The capacity of the processing plant is not mentioned since the same is not commissioned.		
d) Auditors remuneration comprises statutory audit fee of Rs.2,00,000 (Pr Yr. 1,25,000), Tax audit fee of Rs.25,000 (Pr Yr. 25,000) and Reimbursement of Expenses Rs.25,000 (Pr. Yr. Nil) for the year 2009-10.		
e) Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliation wherever necessary.		
f) Other expenses include adjustments on account of Sundry balances written off/written back, if any.		
g) Previous year's figures have been regrouped and reclassified wherever necessary and all figures have been rounded of the nearest rupee.		

**Per my report of even date
for V. SYAM SUNDER
CHARTERED ACCOUNTANT**

for and on behalf of the Board

**V. Syam Sunder
Chartered Accountant
Membership No.25979
Place: Hyderabad
Date: 30/6/2010**

**P.Maruti Ram
Managing Director**

**D. Seenu Reddy
Director**

**B.Laxman
Company Secretary**

BALANCE SHEET ABSTRACT AND COMPANYS GENERAL BUSINESS PROFILE

I	Registration Details:	Registration Number 12974
	State Code :	1
	Balance Sheet Date :	31.03.2010

II	Capital Issued during the Year (Amount in Rs.)		
	Public Issue: Nil	Rights Issue: Nil	
	Bonus Issue: Nil	Private Placement: Nil	Preferential Issue: 3,25,66,000

III	Position of Mobilisation and Deployment of Funds: (Amount in Rs.)			
	Total Liabilities:		Total Assets:	
	Sources of Funds:-			
	Paid-up Capital :	93542857	Reserves&Surplus	319120495
	Secured Loans	0	Unsecured Loans	0
	Deferred Tax Liability	8796170		
	Application of Funds:-			
	Net Fixed Assets:	383765918	Investments:	0
	Net Current Assets:	37693604	Misc.Expenditure:	0

IV	Performance of the company (Amount in Rs.)			
	Turnover:	80424582	Total Expenditure:	51252241
	Profit before Tax:	29172341	(Profit) after Tax:	15418526
	Earnings per share:	1.73	Dividend:	0

V	Generic Names of Three Principle products/services of the Company :	
	Item Code (ITC Code)	
	Product Description	IT Enabled Services

P.Maruti Ram
Managing Director
Date: 30/6/2010

TELECANOR GLOBAL LIMITED

Registered Office : Imarat Park, 2nd Floor, above Talwar Hyundai Showroom,
Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad – 500 0034
Telephone: +91(40)23551657/8, www.telecanor.com
Email: ram@telecanor.com

ATTENDANCE SLIP 19th ANNUAL GENERAL MEETING

Please fill this Attendance Slip and hand it over at the entrance of the meeting hall.

Regd. Folio No./Client ID No No. of Share(s)held:

I hereby record my presence at the 19th Annual General Meeting of M/s. TeleCanor Global Limited., held on Thursday the 30th Day of September 2010 at 10.30 A.M at Registered Office of the Company.

Signature of the shareholder/proxy Authorized Representative

*Strike out whichever is not applicable.

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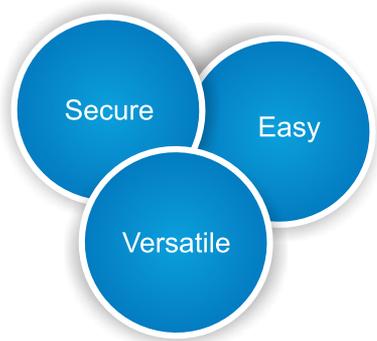
PROXY FORM 19 th Annual General Meeting

Regd. Folio No./Client ID: No. of Shares Held:

..... resident
of.....being member(s) of TeleCanor
Global Limited, hereby appoint Sri/Smtresident of
I/W.....
..... as my/our proxy to vote for me / us and on my / our behalf at the 19th Annual
General Meeting of the Company, to be held on Thursday the 30th Day of September 2010 at 10.30 A.M at the
Registered office of the Company, or at any adjournment thereof.

Signature of Shareholder

Re.1/- Revenue Stamp



TELECANOR

Redefining Next Gen TeleCommerce

TeleCanor Global Limited, Park View Estate, 2nd Floor,
Road No.2, Banjara Hills, Hyderabad - 500 034.
Tele : **+91 40 2355 1657/8**, Fax : **+91 40 2355 1659**.