

22nd Annual Report 2012-2013

TELECANOR GLOBAL LIMITED

Registered Office : G1, Parameshwara, 6-3-626, Anandnagar, Khairatabad,
Hyderabad - 500 004. Telephone : +91(40) 23305484
www.telecanor.com, Email : ram@telecanor.com

CORPORATE INFORMATION

Board of Directors :	Mr. Maruti Ram Praturi Mr. D. Seenu Reddy P. Swetha Mrs. K.R.C. Sekhar	Managing Director Director Director Director
Company Secretary :	Mr. N. Rama Swamy	
Statutory Auditors :	M/s. Gopal & Rajan Chartered Accountants 302, Babukhan's Aneesh Towers, Walker's Town, Padmarao Nagar, Hyderabad - 500 025.	
Bankers :	State Bank of India Dhanalaxmi Bank Ltd.	
Registered Office :	G1, Parameshwara, 6-3-626, Anandnagar, Khairatabad, Hyderabad - 500 004. Telephone : +91(40) 23305484 www.telecanor.com Email : ram@telecanor.com	
Registrars & Transfer Agent	Venture Capital And Corporate Investments P Ltd 12-10-167, Bharat Nagar, Hyderabad - 500 018. Phone : +91 040-23818475 / 23818475 / 23868023 Fax : +91 040-23868024 Email : info@vccilindia.com	

Contents**Page Nos.**

Notice of the Annual General Meeting	
Directors' Report	
Corporate Governance Report	
Management Discussion and Analysis	
Auditors' Report	
Balance Sheet	
Profit and Loss Account	
Schedules - Balance Sheet	
Schedules - Profit & Loss Account	
Cash Flow Statement	
Notes to Accounts	

Notice of 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting of the members of the Company Telecanor Global Limited (Corporate Identification Number - L45200AP1991PLC012974) will be held on Friday the 31st Day of December 2013 at 9.30 A.M at the registered office of the Company situated at G1, Parameshwara, 6-3-626, Anand Nagar, Hyderabad - 500 004 to transact the following business:

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2013 and the Profit and Loss account for the 15th month period ended on that date and directors and auditors Reports there on.
2. To appoint Auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
3. To appoint a director in place of Mr. P. Swetha, who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

Item 1: Ratification of deemed cancellation of earlier resolution passed in the EGM on 8.4.2013

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

RESOLVED that the earlier resolution as resolved in the EGM dated 8/4/2013 for issuance of shares and sharewarrants for promoters and non-promoter be hereby cancelled and annulled.

Item 2: Issue of fully convertible sharewarrants on preferential basis

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all the applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the company with the Stock exchanges where the shares of the Company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI), and clarifications thereon issued from time to time and subject to the approval(s), consent(s), permission(s), and/or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this Resolution), be and is hereby authorized on behalf of the Company to create, issue/offer and allot 13,50,000 Convertible Warrants on preferential placement basis through offer letter and/or circular and/or information memorandum and/or private placement memorandum and/or such other documents/writings, in such form, manner and upon such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of resultant equity shares of the Company to be issued against such warrants shall not exceed 13,50,000 (Thirteen Lakhs fifty thousand only) fully paid up equity shares of the face value of Rs.10/-each at a premium of Rs.1.75 paise against the Convertible Warrant of Rs.11.75 paise each being not less than the price calculated in accordance with the subsisting SEBI (ICDR) Guidelines in this behalf, aggregating to Rs. 1,58,62,500/- and which can be convertible into equity shares with in a period not exceeding eighteen months (18 months) from the date of allotment of Equity Warrants in accordance with SEBI (ICDR) Guidelines to the following allottees as detailed herein below:

S. No.	Name of the Allottee	Category	No. of Warrants to be allotted
1.	Mrs. Vijay Lakshmi Praturi	Promoter	11,00,000
2	Mr. Hemant Kumar Gupta	Non-Promoter	2,50,000

"RESOLVED FURTHER THAT an amount equivalent to 25% of the Conversion price or such higher percentage as board may decide shall be payable at the time of making application for the warrants, which shall be adjusted and appropriated against the Conversion price payable by the warrant holders at the time of exercising the option to convert the warrants into equity shares, and that in the event the option for such conversion is not exercised within the prescribed time, the warrants shall lapse, and the amount paid on the allotment of the warrants shall stand forfeited."

"RESOLVED FURTHER that the equity shares issued on conversion of the warrants shall rank pari passu with the existing equity shares of the company in all respects including payment of dividend."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of above mentioned Convertible Warrants upon conversion on the stock exchanges where the company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Relevant Date as per the SEBI (ICDR) Guidelines, 2009 as applicable from time to time for the determination of applicable price for issue of Convertible Warrants is December 1st 2013."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of Warrants in accordance with the terms of the offer and subject to the provisions of the company's Memorandum and Articles of Association."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds and things and resolve any doubts or questions that may arise in the issue and allotment of said Warrants and equity shares, arising there from, including utilizations of the proceeds, without being required to seek any further consent or approval of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Item 3 : Issue of shares on preferential basis

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all the applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the company with the Stock exchanges where the shares of the Company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI), and clarifications thereon issued from time to time and subject to the approval(s), consent(s), permission(s), and/or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this Resolution), be and is hereby authorized on behalf of the Company to create, issue/offer and allot 8,88,000 shares on preferential placement basis through offer letter and/or circular and/or information memorandum and/or private placement memorandum and/or such other documents/writings, in such form, manner and upon such terms and conditions as may be determined by the Board in its absolute discretion, at a face value of Rs.10/- each at a premium of Rs.1.75 paise each being not less than the price calculated in accordance with the subsisting SEBI (ICDR) Guidelines in this behalf, aggregating to Rs. 1,04,34,000/- in accordance with SEBI (ICDR) Guidelines to the following allottees as detailed herein below :

S. No.	Name of the Allottee	Category	No. of Warrants to be allotted
1.	Mr. Krishna Praturi	Promoter	2,13,000
2.	Mr. Hemant K Gupta	Non-Promoter	6,75,000

"RESOLVED FURTHER that the equity shares issued shall rank pari passu with the existing equity shares of the company in all respects including payment of dividend."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of above shares on the stock exchanges where the company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Relevant Date as per the SEBI (ICDR) Guidelines, 2009 as applicable from time to time for the determination of applicable price for issue of Equity Shares is /December 1st 2013."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board hereby authorized to issue and allot such number of equity shares in accordance with the terms of the offer and subject to the provisions of the company's Memorandum and Articles of Association."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds and things and resolve any doubts or questions that may arise in the issue and allotment of said equity shares, arising there from, including utilizations of the proceeds, without being required to seek any further consent or approval of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956

Item No.1

Whereas the resolution in the earlier meeting dated 8/4/2013 has becoming infructuous since the BSE approval for the preferential allotment of shares and sharewarrants to promoters and non-promoters has not been received. Hence the resolution has been deemed cancelled by the applicable provisions and guidelines.

Item No.2 and 3

The Company proposes to issue 13,50,000 convertible warrants a price of Rs. 11.75 paise each per warrant (including premium of Rs. 1.75 paise per warrant) to the Promoters and non-promoters as per the list provided in the Resolution on Preferential basis. The aggregate amount of the issue of share warrants will be Rs. 1,58,62,500/- . Each warrant shall give a right to the holder to apply for an equivalent number of fully paid equity shares of Rs.10/- each of the Company at a price of Rs.11.75 paise per share at any time during 18 months from the date of issue.

The Company also proposes to issue 8,88,000 Equity shares at a price of Rs. 11.75 paise each (including premium of Rs. 1.75 paise per warrant) to the Promoters and Non-Promoters as per the list provided in the Resolution on Preferential basis. The aggregate amount of the issue of share warrants will be Rs. 1,04,34,000/-.

As per regulation 13.1A of the SEBI (ICDR) Guidelines, 2009 the required details are furnished as under:

a) Object of the issue :

With a view to augment the long term resources of the company to fund the expansion plans, it is proposed to issue, the shares and sharewarrants, on preferential basis in accordance with the Guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (ICDR) Guidelines, 2009 (hereinafter referred to as "SEBI ICDR Guidelines") entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company.

b) Pricing :

The pricing of equity shares and share warrants is done in accordance with the guidelines stipulated under SEBI (ICDR) Guidelines, 2009 as applicable from time to time in respect of the pricing of the issues.

c) Payment & Conversion Terms :

For sharewarrants, 25% or such higher percentage as decided by the Board for the value of warrants is to be paid together with application. The balance is payable at the time of conversion. In case the option is not exercised within a period of 18 months from the date of allotment, the application money will be forfeited by the company. The warrants are converted at the option of the allottee on payment of the balance amount of the issue price at any time during the period of 18 months. The amount received from the allottees can be adjusted towards outstanding dues if any, payable by the company on such terms and conditions and in such manner as the Board may think fit.

d) Intention of Promoters/Directors /Key Management persons to subscribe to the offer :

The intention of Mrs. Vijay Lakshmi Praturi and Mr. Krishna Praturi, Promoters to subscribe this offer to provide funds for the expansion plans of the Company.

e) Relevant Date :

"Relevant Date" for this purpose is December 1st 2013 which is the date 30 days prior to the date of this meeting of the Members of the Company.

f) Shareholding pattern before and after the issue :

The Shareholding pattern before and one likely to emerge after the proposed allotment of Equity Shares and Share Warrants upon conversion would be as under :

Category	Total No. of		Total No. of	
	Shares	%	Shares	%
	Pre-Issue		Post-Issue	
(A) Shareholding of Promoter and Promoter Group				
(1) Indian Individuals / Hindu Undivided Family	1318945	14.80%	2631945	23.61%
Sub Total	1318945	14.80%	2631945	23.61%
(2) Foreign Total shareholding of Promoter and Promoter Group (A)	0	0.00%	0	0.00%
	1318945	14.80%	2631945	23.61%
(B) Public Shareholding				
(1) Institutions Mutual Funds / UTI	16100	0.00%	16100	0.00%
Sub Total	16100	0.18%	16100	0.14%
(2) Non-Institutions Bodies Corporate	1568995	17.61%	1568995	14.07%
Individuals				
Individual shareholders holding nominal share capital up to Rs. 1 lakh	1937930	21.75%	1937930	17.38%
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3592166	40.31%	4517166	40.52%
Any Others (Specify)	476578	5.35%	476578	4.27%
Non Resident Indians	234451	2.63%	234451	2.10%
Trusts	200	0.00%	200	0.00%
Clearing Members	241927	2.72%	241927	2.17%
Sub Total	7575669	85.02%	8500669	76.25%
Total Public shareholding (B)	7591769	85.20%	8516769	76.39%
Total (A)+(B)	8910714	100.00%	11148714	100.00%
(C) Shares held by Custodians and against which Depository Receipts have been issued				
(1) Promoter and Promoter Group	0	0.00%	0	0.00%
(2) Public	0	0.00%	0	0.00%
Sub Total	0	0.00%	0	0.00%
Total (A)+(B)+(C)	8910714	100.00%	11148714	100.00%

The percentage etc. has been worked out after assuming that all warrants are converted into shares.

g) Proposed time within which the allotment shall be complete :

The Board proposes to allot the Warrants within a period 15 days from the date of this General Meeting. As per the said SEBI Guidelines, the warrant holders have the option to subscribe for one equity share of Rs.10 each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the warrants. The warrants may be converted into equity shares of the Company in one or more tranches.

h) The identity of the proposed allottees and the percentage of the preferential issue that may held by the allottee :

S. No.	Name of the Allottee	Category	Pre issue Holding	%to Total Equity	Post issue Holding	%to Total Equity
1.	Mrs. Vijay Lakshmi Praturi	Promoter	2,06,530	2.31%	13,06,530	11.71%
2.	Mr. Krishna Praturi	Promoter	0	0.00%	2,13,000	1.91%
3.	Mr. Hemant K Gupta	Non Promoter	6,12,246	6.87%	15,37,246	13.79%

i) Auditor's Certificate :

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance therewith will be placed before the shareholders during the meeting. The Board proposes to allot the warrants within a period of 15 days from the date of this General Meeting. As per the said SEBI Guidelines, the warrant holders have the option to subscribe for one equity share of Rs.10 each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the warrants. The warrants may be converted into equity shares of the Company in one or more tranches.

j) Lock- in :

The share warrants to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

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 27-09-2013 to 31-12-2013 (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	Ms. P Swetha
Date of Birth	1-3-1988
Date of Appointment	10-9-2012
Educational Qualifications	BCom
Expertise in specific functional areas	Marketing
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	NIL

Place : Hyderabad
Date : 6-12-2013

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

DIRECTORS' REPORT

To
The Members
TELECANOR GLOBAL LIMITED

Your Directors are happy to present their Twenty first Annual Report on the business and operations of the Company and the Financial Accounts for the 15 month period ended 30th September, 2013.

FINANCIAL RESULTS

Particulars	2012-13	(Rs. in lakh) 2011-12
Income from Operations	29.01	1154.14
Total Expenditure	210.67	1266.24
Gross Profit/(Loss) after Interest	(183.65)	(112.11)
Depreciation	412.02	332.31
Current Tax	0.00	0.00
Profit After Current Tax	(593.67)	(444.41)
Deferred Tax	0.00	0.00
Net Profit/(Loss)	(593.67)	(444.41)

Total income in 2011-12 was Rs 29.01 Lakhs as against Rs. 1154.14 Lakhs representing an decrease of 98%. On similar lines, gross Loss increased to of Rs. 183.65 Lakhs from the previous year of Rs. 112.11 Lakhs. Main reason for the sharp drop in sales has been crippling legal issues that are now gradually being solved.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

DIVIDEND

In view of a loss during the year, there will be no dividend.

DIRECTORS :

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr.D Seenu Reddy, retire by rotation and being eligible offer himself 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.

AUDITORS :

The Statutory Auditors M/s.Gopal & Rajan, Chartered Accountants, Hyderabad, retire as Auditors of the Company at the conclusion of the Annual General Meeting and being eligible, offer himself for re-appointment as Auditors.

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: NIL

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	54 Years	Managing Director	37,50,000	B. Tech., MBA (IIM)	24 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 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.
3. 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;
4. 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.

Place : Hyderabad
Date : 6-12-2013

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

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	Director ship in other Companies @	Chairmanship in committees of Boards of other Companies	Date and change of status
Mr. Maruti Ram Praturi DIN - 01556649	Promoter Director	Managing Director	Nil	Nil	Nil
Ms. P. Swetha DIN - 06397865	Independent Non- Executive Director	Director	Nil	Nil	Nil
Mr. K.S.R C. Sekhar DIN -	Independent Non- Executive Director	Director	Nil	Nil	Nil
Mr. D. Seenu Reddy DIN - 01556700	Independent Non- Executive Director	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 2012-13 Board of Directors of the Company met Twelve times on 19/12/2012,4/1/2013,17/1/2013,8/3/2013,24/10/2013 and 6/12/2013. 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 2011
Mr. Maruti Ram Praturi	6	6	Yes
Mr. D. Seenu Reddy	6	2	Yes
P. Swetha	6	5	No
K. S. R. C. Sekhar	6	1	No

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. D. Seenu Reddy and Ms. P Swetha. Mr. D. Seenu Reddy is the Chairman of the Audit Committee. The Company Secretary Mr. N.Rama Swamy acts as the Secretary to the Committee.

Minutes of the Audit Committee are circulated to the members of the Committee and the Board is kept appraised.

4. Remuneration Committee

The members of the Remuneration Committee of the Board of Directors of the Company are Ms.P Swetha, Mr. Mr. D. Seenu Reddy and Mr. KSRC Sekhar. Mr. Seenu Reddy 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.10,000/- 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 2011-12 are as follows :

Name of the Director	Designation	Salary & Perks	Commission	Sitting Fees	Total
Mr. Maruti Ram Praturi	Managing Director	3750000	0	0	3750000
Mr. D. Seenu Reddy	Director	0	0	10000	10000
P. Swetha	Director	0	0	30000	30000
K. S. R. C. Sekhar	Director	0	0	0	0

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 June, 30th, 2012 is as follows:

Name of the Director	No. of shares held
Mr. Maruti Ram Praturi	1353548
Mr. D. Seenu Reddy	Nil
Ms. P.Swetha	Nil
Mr. K.R.C. Sekhar	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. KRC Sekhar (Chairman), Mr. P. Maruti Ram and Ms. P. Swetha. Mr. N. Rama Swamy, 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
2008-2009	Wednesday,30th 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.
2009-2010	Thursday,30th September 2010 at 10.30 A.M.	At the Registered office of the Company at 2nd Floor, Imrat Park , Road No.2,Banjara Hills, Hyderabad - 500 034.
2010-2011	Friday,30thSeptember 2011 at 10.30 A.M.	At the Registered office of the Company at 2nd Floor, Imrat Park , Road No.2,Banjara Hills, Hyderabad - 500 034.
2011-2012	Wednesday,31st December 2012 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.

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 :	G1, Parameshwara Apts, 6-3-626, Anandnagar, Khairatabad, Hyderabad - 500 004. Telephone : 9848033304, www.telecanor.com , Email : ram@telecanor.com
Annual General Meeting: (Date, Time and Venue)	Tuesday the 31th Day of December 2013 at 930 A.M at the registered office of the Company situated at G1, Parameshwara Apts, 6-3-626, Anandnagar, Khairatabad, Hyderabad - 500 004
Financial Year:	July 1, 2012 to 30th September 2013.
Book Closure:	December 27, 2013 to December 31st, 2013 (both days inclusive)
Listing of Shares:	The Company shares are listed on The Bombay Stock Exchange Limited and The Hyderabad 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.
Details on use of public funds obtained in 3 years	No fund was raised from public during the last three years
Address for Correspondence:	G1, Parameshwara Apts, 6-3-626, Khairatabad, Hyderabad www.telecanor.com , Email : ram@telecanor.com

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 September 30th , 2013, 39,16,243 Equity Shares of the Company forming 43.94 % 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 2012-13 at The Bombay Stock Exchange Limited (BSE) is as given below.

Month	BSE-High	BSE-Low	Month	BSE-High	BSE-Low
July 2012	21.50	14.95	March 2013	12.34	9.98
August 2012	15.85	7.85	April 2013	17.05	11.55
September 2012	10.87	7.40	May 2013	17.45	8.45
October 2012	11.83	10.63	June 2013	12.62	9.38
November 2012	12.86	11.08	July 2013	19.72	11.80
December 2012	14.20	8.67	August 2013	11.30	7.53
January 2013	14.00	9.35	September 2013	8.27	7.51
February 2013	12.24	9.95			

Category wise Shareholding as at 30th September, 2013.

Category	Total No. of	
	Shares	%
(A) Shareholding of Promoter and Promoter Group		
(1) Indian		
Individuals / Hindu Undivided Family	1318945	14.80%
Sub Total	1318945	14.80%
(2) Foreign	0	0.00%
Total shareholding of Promoter and Promoter Group (A)	1318945	14.80%
(B) Public Shareholding		
(1) Institutions		0.00%
Mutual Funds / UTI	16100	0.18%
Sub Total	16100	0.18%
(2) Non-Institutions		
Bodies Corporate	1568995	17.61%
Individuals		
Individual shareholders holding nominal share capital up to Rs. 1 lakh	1937930	21.75%
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3592166	40.31%
Any Others (Specify)	476578	5.35%
Non Resident Indians	234451	2.63%
Trusts	200	0.00%
Clearing Members	241927	2.72%
Sub Total	7575669	85.02%
Total Public shareholding (B)	7591769	85.20%
Total (A)+(B)	8910714	100.00%

Category	Total No. of	
	Shares	%
(C) Shares held by Custodians and against which Depository Receipts have been issued		
(1) Promoter and Promoter Group	0	0.00%
(2) Public	0	0.00%
Sub Total	0	0.00%
Total (A)+(B)+(C)	8910714	100.00%

Distribution of Shareholding as at 30th September, 2013.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 - 5000	1402	55	573342	6.43
5001 - 10000	649	25	611212	6.86
10001 - 20000	265	11	412518	4.63
20001 - 30000	74	3	194527	2.21
30001 - 40000	49	2	172545	1.94
40001 - 50000	33	1	650655	7.30
50001 - 100000	54	2	929385	10.41
100001 & above	38	1	5366530	60.22
Total	2564	100	8910714	100.00

Declaration

I, Maruti Ram Praturi, Managing Director do hereby declare that pursuant to the provisions of Clause 49(l) (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.

Place : Hyderabad
Date : 6-12-2013

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

AUDITORS REPORT

To,
The Members

M/s. Telecanor Global Limited

1. We have audited the attached Balance Sheet of TELECANOR GLOBAL LIMITED, as at 30th September 2013, the Statement of Profit & Loss and the Cash Flow Statement for the period 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 our audit.
2. We have conducted the 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 the 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 (Auditors Report) Order, 2003(CARO) issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) 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;
 - ii) In our 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, the Statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the balance sheet, the Statement of profit and loss 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 30 September 2013, and taken on record by the Board of Directors, We report that none of the directors are disqualified as on 30 September 2013 from being appointed as director in terms of clause (g) of Subsection 1 of section 274 of the Companies Act, 1956 ;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, 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 30 September 2013.
 - b) In the case of the Statement of Profit and Loss , of the Loss for the period ended on that date and
 - c) In the case of the cash flow statement, of the cash flows of the company or the period ended on that date.

For **M/S. GOPAL & RAJAN**
CHARTERED ACCOUNTANTS
Firm Registration No.000953S

K.GOUTHAM SUBBAIAH
PARTNER
Membership No.203237

Place : Hyderabad
Date : 6-12-2013

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 disposed/written down Fixed assets to the tune of Rs. 26,80,882/- (Gross Value) as the instalments to the finance company was not paid and the vehicle was sold by the finance company. Based on communication received from the finance company the liability was accounted in the books of the company.
- (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 our opinion and according to the information and explanations given to us, 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) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a. The particulars of contracts or arrangements referred to section 301 that needed to be entered in the Register maintained under the said section have been so entered.
 - b. Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been at prices which are prima facie 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.
- (vii) 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.
- (viii) According to the information and explanations given to us in respect of statutory dues the details are as follows :

Details of undisputed dues to various statutory authorities are as follows:

CST payable	Rs.	2,27,324/-
FBT payable	Rs.	75,000/-
IT Payable	Rs.	1,23,14,271/-
TDS Payable	Rs.	25,63,322/-
Service Tax Payable	Rs.	54,73,603/-
VAT Payable	Rs.	16,74,815/-

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.

In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has incurred cash loss during the period ended 30th September 2013 (15 months).

- (xi) In our opinion and according to the information and explanations given to us, the company has dues and has defaulted in repayment to financial institution, bank or debenture holders with respect to interest and instalments. The Company has defaulted with respect to repayment of Term Loan instalments and interest on Overdraft availed from Dhanalakshmi bank and as per the communication received from Dhanalakshmi bank, the bank has initiated legal proceedings for recovery of loan at Debt Recovery Tribunal (DRT).
- (x) In our opinion, and according to the information and explanations given to us that the company has been granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities against 7,00,000 shares pledged with dhanalakshmi bank Ltd
- (xiii) In our opinion, the company is not a chit fund or a nidhi, mutual benefit, fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) 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 our opinion and according to the information provided and explanations given that the company has taken term loans and were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, We report that the no funds raised on short term basis have been used for long-term assets except permanent working capital.
- (xviii) According to information and explanation received the company has paid an amount of Rs.16,89,000/- to Vimal S shah towards settlement of a dispute with him. Mr. Vimal S Shah had lodged an FIR on Company and its directors and has claimed compensation on several accounts including delay in listing of shares and dematerialization of the same
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year under audit or any period prior to it.
- (xviii) 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 us, no fraud on or by the company has been noticed or reported during the course of my audit.

For **M/S. GOPAL & RAJAN**
 CHARTERED ACCOUNTANTS
 Firm Registration No.000953S

Place : Hyderabad
 Date : 6-12-2013

K.GOUTHAM SUBBAIAH
 PARTNER
 Membership No.203237

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

The members of

TeleCanor Global Limited

1. We have examined the compliance of conditions of Corporate Governance by TeleCanor Global Limited (the Company) for the period ended 30 September 2013, 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. Our 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 our opinion and to the best of our information and explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.
4. 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 **M/S. GOPAL & RAJAN**
CHARTERED ACCOUNTANTS
Firm Registration No.000953S

K.GOUTHAM SUBBAIAH
PARTNER
Membership No.203237

Place : Hyderabad
Date : 6-12-2013

TELECANOR GLOBAL LIMITED**(Formerly Victory Projects Limited)**

Cash Flow Statement	As on 31-03-2013 Rs.
A. Cash from Operations	
Net Loss / Profit before Interest and Taxes	(44,440,713.00)
Adjustment for Depreciation	33,230,689.00
Profit before working capital changes	(11,210,024.00)
(Increase) / Decrease in Current Assets	4,020,079.00
Increase / (Decrease) in Current Liabilities	41,883,810.00
Current Taxes	-
Loss on sale of asset	
Net Cash used in Operating activities	34,693,865.00
B. Cash flow from Investing Activities	
(Purchase) / Sales in Fixed Assets	(18,742,550.00)
C. Cash Flow from financing Activities	
Decrease in Long term borrowings	(16,315,415.00)
Increase in Capital	
Decrease in Long term loans and advances (asset)	(364,100.00)
E. Cash and Cash Equivalents as at Beginning	634,989.00
G. Cash and Cash Equivalents as at Ending	270,889.00

For **M/S. GOPAL & RAJAN**
 CHARTERED ACCOUNTANTS
 Firm Registration No.000953S

K.GOUTHAM SUBBIAH
 PARTNER
 Membership No.203237

Place : Hyderabad
 Date : 6-12-2013

For and on behalf of the Board

Maruti Ram Praturi
 Managing Director

D. Seenu Reddy
 Director

TELECANOR GLOBAL LIMITED

Balance Sheet as at 30th June 2013

Particulars	Note	As on 30-09-2013 (For 15 Month)	As on 30-06-2012 (For 15 Month)
Equity and Liabilities			
Shareholders Funds			
Share Capital	2	86,041,584.00	86,041,584
Reserves and Surplus	3	254,616,795.30	313,983,648
Share warrants	4	2,500,000.00	2,500,000
Expired Share warrants	5	9,804,555.00	9,804,555
Non Current Liabilities			
Long Term Borrowings	6	-	12,067,622
Deferred Tax	7	15,492,134.00	15,492,134
Current Liabilities			
Trade Payables	8	572,808.00	447,720
Other Current Liabilities	9	100,896,992.87	80,241,369
Short Term provisions	10	8,624,042.00	-
		478,548,911.17	520,578,632
Assets			
Non Current Assets			
Fixed Assets	11	397,731,355.55	440,626,633
Long Term Loans and Advances	12	4,512,766.00	4,171,789
Other Non Current Assets	13	13,425,223.00	13,425,223
Current Assets			
Trade Receivables	14	60,960,618.43	59,027,921
Short term loans and advances	15	1,896,092.00	3,056,177
Cash and Cash Equivalents	16	22,856.19	270,889
		478,548,911.17	520,578,632
Notes to Balance sheet and Statement of Profit and Loss	1 to 22	-	

For **M/S. GOPAL & RAJAN**
 CHARTERED ACCOUNTANTS
 Firm Registration No.000953S

For and on behalf of the Board

K.GOUTHAM SUBBIAH
 PARTNER
 Membership No.203237

Maruti Ram Praturi
 Managing Director

D. Seenu Reddy
 Director

Place : Hyderabad
 Date : 6-12-2013

TELECANOR GLOBAL LIMITED

Profit & Loss Account for the year ended 30th June 2013

Particulars	Note	For the year 30-09-2013 (For 15 Month)	For the year 30-06-2012 (For 15 Month)
Revenue From Operations			
Income from IT & Aqua	17	2,901,045.00	115,414,399
Other Income	18	796.00	-
Total Revenue		2,901,841.00	115,414,399
EXPENSES			
Cost of Materials Consumed	19	38,236.00	2,751,355
Employee Benefit Expenses	20	391,420.00	9,785,967
Finance costs	21	14,309,061.00	11,119,792
Depreciation	11	41,202,272.00	33,230,689
Other Expenses	22	6,327,704.00	102,967,309
Total Expenses		62,268,693.00	159,855,112
Loss Before Tax		59,366,852.00	44,440,713
Current Tax		-	-
Deferred Tax		-	-
Loss After Tax		59,366,852.00	44,440,713
Profit /Loss b/f from previous year			32,591,339
Loss transferred to Balance Sheet		59,366,852.00	11,849,374
Notes to Balance sheet and Statement of Profit and Loss	1 to 22		

For **M/S. GOPAL & RAJAN**
 CHARTERED ACCOUNTANTS
 Firm Registration No.000953S

For and on behalf of the Board

K.GOUTHAM SUBBIAH
 PARTNER
 Membership No.203237

Maruti Ram Praturi
 Managing Director

D. Seenu Reddy
 Director

Place : Hyderabad
 Date : 6-12-2013

Notes to Balance Sheet and Statement of Profit and Loss**Note No. : 1****Accounting Policies****a) Basis for Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof. During the year, Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The Company has reclassified the previous year figures in accordance with the requirements in the current year.

b) Revenue Recognition

- (i) Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer.
- (ii) Revenue from services rendered is recognised on prorata basis in proportion to the stage of completion of the related transaction.

c) Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any.

d) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of impairment, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortised on a straight line basis over their estimated useful lives.

e) Depreciation and Amortisation

Depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 except the following GIS-GPS software depreciated at 20% IVR PG software depreciated at 20% Comweb software depreciated at 20%

f) Impairment

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

h) Foreign Currency Transactions

Transactions in foreign exchange currencies are recorded at ruling rate on the date of the transaction. Monetary items of assets and liabilities are translated on reporting date. Exchange differences are recognized, if any material, in the statement of profit and loss for the period. However there are no such items to be recognized.

I) Inventories

Inventories are valued at cost or net realizable value whichever is lower. However there are no inventories as on the end of reporting period.

J) Deferred Tax

Deferred tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. However deferred tax was not provided during the year as the company has incurred loss during the year.

K) Loans and Advances

During the period ended 30th September 2013 the company has not paid instalments regularly with respect to the Term Loan and the loan is overdue. The OD interest is also not paid and the same has become overdue for non payment of interest.

L) Exceptional Items

During the period under review fixed assets worth(Gross value) Rs. 26,80,882/- was sold for Rs. 14,62,768/- as there was default in payment of instalments

M) Earnings per share

The earnings considered in ascertaining the companys Earnings Per Share(EPS) comprise of the net profit after tax less dividend(including dividend distribution tax) on preference shares. The number of shares used for computing the basis EPS is the weighted average number of shares outstanding during the year. During the period under review the company has incurred cash loss.

N) Contingencies and events occurring after the balance sheet date**O) Employee Benefits**

Based on the past experience and the position as on the reporting date, no provision is made for the retirement benefits as none of the present employees are entitled for the same.

P) Segment Reporting

The Company has identified three reportable segments, viz Construction, Information Technology and Acqaculture in terms of requirements of Accounting Standard 17. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.

SEGMENTAL RESULTS	As on 30-09-2013 Rs. in Lakhs
1. Segment Revenue	
a. IT Operations and others	29
b. Construction	-
c. Aqua Operations	-
Net Sales	29
2. Segment Results	
Loss before Interest and Tax	
a. IT Operations and others	593
b. Construction	-
c. Aqua Operations	-
Total	593
3. Capital Employed	
a. IT Operations and others	-
b. Construction	44
c. Aqua/SEZ Operation	281
Q) Related Party Transactions	
In Compliance with the requirements of AS 18, the following are the details of transactions with key management personnel.	

Name	Opening Balance	Transactions (Net)	Closing Balance
P. Maruthi Ram	4,252,660.00	2,557,344.00	6,810,004

R) Previous Years figures have been recast/restated wherever necessary.

Particulars	As on 30-09-2013 Rs.	As on 30-06-2012 Rs.
Note No: 2 Share Capital		
Equity Share Capital		
Authorised Share Capital	120,000,000.00	120,000,000
12,000,000 Equity Shares of Rs.10/- each Issued, Subscribed and Paid- Up	120,000,000.00	120,000,000
Capital		
8910714 (Pr Yr 5654114) Equity Shares of Rs.10 each Share allotment money due	89,107,140.00 (3,065,556.00)	89,107,140 (3,065,556)
	86,041,584.00	86,041,584
Reconciliation of the No of Shares at the beginning and at the end of reporting period		
At the Beginning	8,910,714.00	8,910,714
Issued during the year	-	-
Forfeited / Bought back during the year	-	-
At the End	8,910,714.00	8,910,714
Details of shareholder holding more than 5%		
Maruti Ram Praturi	1,102,548.00	1,352,548
(7,00,000 shares pledge with Dhanalakshmi bank)		
Visual Mind Technologies	546,200.00	636,200
Oswal Financial Services Ltd	-	564,452
Hemant Kumar guptha	612,246.00	450,000
Vimal S shah	594,200.00	-
Sharon guptha	473,350.00	-
Note No: 3 Reserves & Surplus		
Share Premium	30,648,680.00	30,648,680
Premium due on share allotment	(920,375.00)	(920,375)
Revaluation reserve	295,754,715.00	295,754,715
General Reserve	(70,866,224.70)	(11,499,372)
	254,616,795.30	313,983,648
Note No: 4 Sharewarrants		
Share warrant application money	2,500,000.00	2,500,000
	2,500,000.00	2,500,000
Note No: 5 Expired Sharewarrants		
Expired share warrants	7,754,842.00	7,754,842
Share warrant control	2,049,713.00	2,049,713
	9,804,555.00	9,804,555
Note No: 6 Longterm Borrowings		
Dhanalakshmi Bank - Term Loan	-	10,904,854
Kotak Mahindra bank - Vehicle Loan	-	1,162,768
	-	12,067,622

Particulars	As on 30-09-2013 Rs.	As on 30-06-2012 Rs.
Note No : 7 Deferred Tax Liability		
Deferred Tax Liability	15,492,134.00	15,492,134
Note No: 8 Trade Payables		
Trade Creditors	572,808.00	447,720
	572,808.00	447,720
Note No : 9 Other Current Liabilities		
Audit Fees Payable	465,000.00	370,000
Salaries Payable	991,892.00	1,725,061
CST Payable	227,324.00	201,844
VAT Payable	1,305,115.00	1,617,215
FBT Payable - 2008-2009	75,000.00	75,000
Income Tax Payable	3,690,229.00	12,314,271
Reliance Data Centre	162,407.00	162,407
Service Tax payable	5,151,667.36	5,473,603
Outstanding Liabilities	907,786.00	922,353
MarutiRam Praturi	6,810,004.00	4,252,660
Vijayalakhmi Praturi	176,050.00	63,550
TDS payable	2,563,322.00	1,785,822
Dhanalakshmi Bank - Cash Credit	44,454,530.00	34,164,125
Dhanalakshmi Bank - Term Loan	31,397,666.51	16,476,458
Kotak Mahindra bank - Vehicle Loan	337,000.00	637,000
Amt received from directors	2,122,000.00	
Others - Hemant	60,000.00	
	100,896,992.87	80,241,369
Note : 10 Short Term Provisions		
Provision for IT	8,624,042.00	-
	8,624,042.00	-
Note No : 12 Long Term Loans and Advances		
Rental Deposits	110,650.00	110,650
Airtel Ltd		100,000
Riverdale Estates		-
Other Deposits	650,301.00	19,986
Idea Cellular Deposit		100,000
Indu Tech Zone P Ltd	114,480.00	114,480
Mumbai Guest House		-
Dep for Banzara hills rent	104,700.00	104,700
Tata NDNC Dep	100,000.00	100,000
Rent Advance - Ludhiana		115,200
TDS receivable	1,940,264.00	1,914,402
TDS receivable 2011-2012	1,492,371.00	1,492,371
	4,512,766.00	4,171,789

Fixed assets schedule and Calculation of Depreciation for the period ending 30-09-2013

	GROSS BLOCK		DEPRECIATION				NET BLOCK		
	30-06-2012	Add. / Del.	30-09-2013	30-06-2012	For the year	Deletions	30-09-2013	30-09-2013	30-06-2012
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Land	315,147,944.00		315,147,944.00	-	-	-	-	315,147,944.00	315,147,944.00
Buildings	187,501.00		187,501.00	94,277.44	7,828.17		102,105.60	85,395.40	93,223.56
Aqua Ponds	19,095,808.10		19,095,808.10	12,879,325.10	1,133,813.61		14,013,138.70	5,082,669.40	6,216,483.00
Plant & machinery	111,392.00		111,392.00	9,229.64	6,613.90		15,843.54	95,548.46	102,162.36
Furniture & Fixtures	5,218,082.00		5,218,082.00	954,415.90	412,880.74		1,367,296.64	3,850,785.36	4,263,666.10
Office equipments	561,666.00		561,666.00	459,448.69	33,348.92		492,797.61	68,868.39	102,217.31
Computers	4,069,462.00		4,069,462.00	2,523,779.73	824,574.74		3,348,354.47	721,107.53	1,545,682.27
Cellphones	41,095.00		41,095.00	10,435.25	8,326.87		18,762.12	22,332.88	30,659.75
VAS & PG Hardware Equipment	28,293,778.00		28,293,778.00	12,059,082.14	5,733,026.77		17,792,108.90	10,501,669.10	16,234,695.86
White Labeled Product	14,575,700.00		14,575,700.00	3,040,789.52	2,953,401.21		5,994,190.73	8,581,509.27	11,534,910.48
Software and License Rights	2,100,000.00		2,100,000.00	1,786,726.03	525,000.00		2,311,726.03	(211,726.03)	313,273.97
Proprietary Software	18,162,631.00		18,162,631.00	12,205,980.14	4,540,657.75		16,746,637.89	1,415,993.11	5,956,650.86
Software Product Development	8,006,871.00		8,006,871.00	7,006,549.94	2,001,717.75		9,008,267.69	(1,001,396.69)	1,000,321.06
Server & Hardware Infrastructure	37,688,119.00		37,688,119.00	13,667,202.63	7,636,555.11		21,303,757.74	16,384,361.26	24,020,916.37
GIS-GPS Software	8,227,880.00		8,227,880.00	4,579,431.64	2,056,970.00		6,636,401.64	1,591,478.36	3,648,448.36
Vehicles	2,680,882.00	2,680,882.00	-	641,786.62	347,040.17	988,826.80	-	-	2,039,095.38
Comwebsoftware	11,242,500.00		11,242,500.00	833,818.75	2,810,625.00		3,644,443.75	7,598,056.25	10,408,681.25
IVR PG software	40,679,572.00		40,679,572.00	2,711,971.47	10,169,893.00		12,881,864.47	27,797,707.53	37,967,600.53
Total	516,090,883.10	2,680,882.00	513,410,001.10	75,464,250.64	41,202,273.71		115,677,697.54	397,732,303.56	440,626,632.46
Previous Year	497,348,333.10		516,090,883.10	42,233,562.00	33,230,688.00		75,464,251.00	440,626,632.46	455,114,771.00

Particulars	As on 30-09-2013 Rs.	As on 30-06-2012 Rs.
Note No : 13 Other Non Current Assets		
Advances for Construction Project Lands	4,446,423.00	4,446,423
Proposed SEZ project land advances	8,978,800.00	8,978,800
	13,425,223.00	13,425,223
Note No : 14 Trade Receivables		
Trade Debtors	60,960,618.43	59,027,921
	60,960,618.43	59,027,921
Note No : 15 Short Term Loans and Advances		
Jal Unwala		153,000
Visual Minds p Ltd	1,883,732.00	1,883,732
VAT Receivable		369,700
Service Tax Credit		321,936
Others	12,360.00	327,809
	1,896,092.00	3,056,177
Note No :16 Cash and Cash Equivalents		
Cash in Hand	18,114.00	263,671
Cash at bank	4,742.19	7,218
	22,856.19	270,889
Note No : 17 Revenue from Operations		
Income from IT Operations	2,901,045.00	115,414,399
Note No : 18 Other Income		
Other Income	796.00	-
	796.00	-
Note No : 19 Cost of Materials Consumed		
Purchases	38,236.00	2,751,355
	38,236.00	2,751,355
Note No : 20 Employee Benefit Expenses		
Staff salaries and Contract Workers	391,420.00	9,744,138
Staff Welfare		41,829
	391,420.00	9,785,967

Particulars	As on 30-09-2013 Rs.	As on 30-06-2012 Rs.
Note No: 21 Finance Costs		
Interest on OD	10,290,405.00	5,499,158
Interest on Term Loan	4,016,355.00	4,935,393
Bank OD Processing Fee		464,150
Interest on Car Loan		167,268
Bank Charges	2,301.00	53,823
	14,309,061.00	11,119,792
Note No: 22 Other Expenses		
Payment to Auditors	302,500.00	357,500
Power,Fuel,Rent &Maintenance	198,417.00	5,935,511
Travel & Conveyance		717,951
Communication Expenses		11,271,496
Computer, Servers & Infra Usage Charges		55,893,347
Legal & Professional Charges	1,749,000.00	703,972
Other expenses	35,000.00	132,089
Advertisement		211,636
Director Sitting Fees	40,000.00	110,000
Insurance		113,396
Printing and Stationary		145,563
Registrar Charges		215,892
Telephone charges	22,550.00	416,658
Trade Discount		14,419,623
Office&Site Locations Maintenance		25,000
Directors Remuneration	3,750,000.00	3,750,000
Loss on Sale of Fixed Assets	230,237.00	8,547,675
Total :	6,327,704.00	102,967,309

For **M/S. GOPAL & RAJAN**
 CHARTERED ACCOUNTANTS
 Firm Registration No.000953S

For and on behalf of the Board

K.GOUTHAM SUBBAIAH
 PARTNER
 Membership No.203237

Maruti Ram Praturi
 Managing Director

D. Seenu Reddy
 Director

Place : Hyderabad
 Date : 6-12-2013

TELECANOR GLOBAL LIMITED

Registered Office : G1, Parameshwara, 6-3-626, Anandnagar, Khairatabad,
Hyderabad - 500 004. Telephone : +91(40) 23305484
www.telecanor.com, Email : ram@telecanor.com

**ATTENDANCE SLIP
22nd Annual General Meeting**



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

Regd. Folio No. / Client No.

No. of Share(s) held



I hereby record my presence at the 22nd Annual General Meeting of M/s. TeleCanor Global Limited., held on Tuesday the 31st Day of December 2013 at 9.30 a.m. at REgistered Office of the Company.

Signature of the Shareholder/Proxy Authorized Representative

*Strike out whichever is not applicable.



TELECANOR GLOBAL LIMITED

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**PROXY FORM
22nd Annual General Meeting**



Regd. Folio No. / Client No.

No. of Share(s) held :

I/We, resident of being member(s)
of TeleCanor Global Limited, hereby appoint Sri/Smt.
resident of as my/our proxy to vote for me /
us and on my / our behalf at the 22nd Annual General Meeting of the Company, to be held on
Tuesday the 31st Day of December 2013 at 9-30 a.m. at the Registered office of the Company,
or at any adjournment thereof.



Signature of the Shareholder

