

# **21st Annual Report 2011-2012**

## **TELECANOR GLOBAL LIMITED**

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

**CORPORATE INFORMATION**

<b>Board of Directors :</b>	Mr. Maruti Ram Praturi Mr. D.Seenu Reddy P. Swetha Mrs. K.R.C.Sekhar	Managing Director Director Director Director
<b>Company Secretary</b>	Mr. N.Rama Swamy	
<b>Statutory Auditors :</b>	M/s Gopal & Rajan Chartered Accountants 302, Babukhan's Aneesh Towers, Walker's Town, Padmarao Nagar, Hyderabad - 500 025.	
<b>Bankers :</b>	State Bank of India Dhanalaxmi Bank Ltd	
<b>Registered Office :</b>	G1, Parameshwara, 6-3-626, Anandnagar, Khairatabad, Hyderabad - 500 004. Telephone : +91(40)23305484 www.telecanor.com Email : ram@telecanor.com	
<b>Registrars &amp; Transfer Agent</b>	<b>Venture Capital And Corporate Investments P Ltd</b> 12-10-167, Bharat Nagar, Hyderabad - 500 018. Phone : +91 040-23818475 / 23818476 / 23868023 Fax : +91 040-23868024 Email : info@vccilindia.com	

<b>Contents</b>	<b>Page Nos.</b>
Notice of the Annual General Meeting	02
Directors' Report	04
Corporate Governance Report & Management Discussion and Analysis	07
Auditors' Report	19
Cash Flow Statement	20
Balance Sheet	21
Profit and Loss Account	22
Attendance Slip & Proxy	32

## Notice of 21st Annual General Meeting

Notice is hereby given that the 21st 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 2012 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 June, 2012 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 of?ce from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to ?x their remuneration.
3. To appoint a director in place of Mr. D. Seenu Reddy, who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business :

1. To consider and if thought ?t, to pass with or without modi?cation(s) if any, the following as an Ordinary Resolution:  
 "RESOLVED THAT Ms. P. Swetha who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and Article 140 of the Articles of Association of the Company and who holds of?ce upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company retiring by rotation."
2. To consider and if thought ?t, to pass with or without modi?cation(s) if any, the following as an Ordinary Resolution:  
 "RESOLVED THAT Mr. K R Chandrasekhar who was appointed as an Additional Director by the Board of Directors under section 260 of the Companies Act, 1956 and Article 140 of the Articles of Association of the Company and who holds of?ce upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company retiring by rotation."
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution  
 "RESOLVED THAT pursuant to Articles of Association of the Company and provisions of the Companies Act, 1956 and the applicable listing guidelines, consent of the Company be and is hereby accorded for ratification of the decision of the Board of directors of the company for cancellation of forfeiture of 3,00,000 Equity Share of Rs. 10 each

Folio No.	Name of the Shareholder	Number of Shares
006051	Mr. Vimal S. Shah	3,00,000

4. "RESOLVED FURTHER THAT the board is authorized to make entries in the register of members for giving effect to cancellation of forfeiture of all the 3,00,000 Shares allotted to Mr. Vimal S. Shah."
5. "RESOLVED FURTHER THAT Mr. Maruthi Ram Praturi, Managing Director of the company be and is hereby authorised to inform the Stock Exchanges, SEBI and all such authorities about the decision of the Board for cancellation of the forfeiture of 3,00,000 equity shares of the company and to do all such acts, deeds and things as may be necessary for and on behalf of the company."

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution
- "RESOLVED THAT pursuant to the provisions of Section 293(1)(a), and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) and subject to compliance of all applicable laws and regulations and subject to such approvals, consents, permissions and sanctions as may be necessary, the consent of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), to sell and transfer a part or the whole of the Company's land situated at Rambili Mandal of Vizag district to any such individual/entity as may be determined by the Board for such a consideration as deemed fit by the board of directors.

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 27-09-2012 to 31-12-2012 (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	Mr. D. Seenu Reddy
Date of Birth	16-11-1947
Date of Appointment	30-6-2007
Educational Qualifications	BCom, B.Sc, CA (Inter)
Expertise in specific functional areas	Accounting, Finance, Managing Experience
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

For and on behalf of the Board

**Maruti Ram Praturi**  
Managing Director

PLACE : HYDERABAD  
DATE : 06-12-2012

## 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 June, 2012.

### FINANCIAL RESULTS

Particulars	2011-12	(Rs. in lakh) 2010-11
Income from Operations	1154.14	1508.28
Total Expenditure <sup>1</sup>	266.24	785.09
Gross Profit/(Loss) after Interest	(112.11)	723.19
Depreciation	332.31	176.95
Current Tax	0.00	86.24
Profit After Current Tax	(444.41)	460.00
Deferred Tax	0.00	66.95
Net Profit/(Loss)	(444.41)	393.04

Total income in 2011-12 was Rs 1154.14 Lakhs as against Rs.1508.28 Lakhs representing an decrease of 23.48%. On similar lines, gross profit declined to a Loss of Rs.112.11 Lakhs from a profit of Rs.723.19 Lakhs. Main reason for decline in the profits has been sharp rise in total expenditure to Rs.1266.24 Lakhs as against Rs.785.09 Lakhs in previous year. Rise in expenditure has been mainly on account of increase in overheads, 15month year and additional marketing cosrs. Besides, there has been a significant reduction in the Sales in VAS business as well as Payment Gateway because of extra cautious posture adopted by operators while promoting VAS.

### 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

Name of Employee	Age	Designation	Gross Remuneration	Qualification	Experience in years	Date of Commencement	Particulars of Last Employment
Mr. Maruti Ram Praturi	52 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.

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.

For and on behalf of the Board

**Maruti Ram Praturi**

Managing Director

PLACE : HYDERABAD

DATE : 06-12-2012

## 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
<b>Mr. Maruti Ram Praturi</b> DIN - 01556649	Promoter Director	Managing Director	Nil	Nil	Nil
<b>Ms. P. Swetha</b> DIN - 06397865	Independent Non- Executive Director	Director	Nil	Nil	Joined as Additional Director on September, 10th 2012
<b>Mr. K.S.R C. Sekhar</b> DIN -	Independent Non- Executive Director	Director	Nil	Nil	Joined as Additional Director on October 1st 2012
<b>Mr. D. Seenu Reddy</b> DIN - 01556700	Independent Non- Executive Director	Director	Nil	Nil	Nil
<b>Mr. Ramchandra Murthy</b> DIN 00721759	Independent Director Non- Executive	Director			Resigned on Oct 25th 2012
<b>Smt P Vijay Lakshmi</b> DIN 01596535	Promoter Director Non-Executive	Director			Resigned on Oct 25th 2012
<b>Mr S V Balasubramanyam</b>	Independent Non- Executive Director	Director			Resigned on Oct 25th 2012

@ 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 2011-12 Board of Directors of the Company met Twelve times on 4/8/2011,29/8/2011,12/10/2011,9/11/2011,14/11/2011,14/2/2012,19/3/2012,24/5/2012,10/9/2012,1/10/2012,25/10/2012 and 29/10/2012. 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	12	12	Yes
Mr. Ramachander Murthy	12	2	No
Smt. P. V. Lakshmi	12	7	Yes
Mr. D. Seenu Reddy	12	8	Yes
Mr S V Balasubramanyam	12	2	No
P. Swetha	12	4	No
K. S. R. C. Sekhar	12	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. Ramachander Murthy, Mr. D. Seenu Reddy and Ms. P. V. Lakshmi. 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 Mr. Ramachander Murthy, Mr. Mr. D. Seenu Reddy and Mrs. P. Vijaya Lakshmi. Mr. Ramachander 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.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		3750000
Mr. Ramachander Murthy	Director	0	0	10000	10000
Smt. P. V. Lakshmi	Director	0	0	0	0
Mr. D. Seenu Reddy	Director	0	0	70000	70000
Ms. P. Swetha	Director	0	0	0	0
Mr. K R C Sekhar	Director	0	0	0	0
Mr S V Balasubramanyam	Director	0	0	30000	30000

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. Ramachander Murthy	2738
Smt. P. V. Lakshmi	206530
Mr. D. Seenu Reddy	Nil
Ms. P. Swetha	Nil
Mr S V Balasubramanyam	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	Year/Period	Year/Period
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.

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](http://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 : +8143322763 <a href="http://www.telecanor.com">www.telecanor.com</a> , Email : <a href="mailto:ram@telecanor.com">ram@telecanor.com</a>
Annual General Meeting: (Date, Time and Venue)	Monday the 31th Day of December 2012 at 10.30 A.M at the registered office of the Company situated at G1, Parameshwara Apts, 6-3-626, Anandnagar, Khairatabad, Hyderabad - 500 004.
Financial Year :	April 1, 2011 to 30th June 2012
Book Closure :	December 27, 2012 to December 31st, 2012 (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 - 500 018. Phone : +91 040-23818475/23818476/23868023 Fax : +91 040-23868024, Email: <a href="mailto:info@vccilindia.com">info@vccilindia.com</a>
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 June 30th 2012, 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. N Rama Swamy, Company Secretary, TeleCanor Global Limited G1, Parameshwara Apts, 6-3-626, Khairatabad, Hyderabad <a href="http://www.telecanor.com">www.telecanor.com</a> , Email : <a href="mailto:ram@telecanor.com">ram@telecanor.com</a>

**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 June 30th , 2012, 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 2009-10 at The Bombay Stock Exchange Limited (BSE) is as given below.

Month	BSE-High	BSE-Low	Month	BSE-High	BSE-Low
April 2011	40.00	32.25	December 2011	26.80	17.30
May 2011	34.00	26.95	January 2012	23.40	16.45
June 2011	29.50	22.70	February 2012	27.70	19.95
July 2011	40.75	27.00	March 2012	31.20	23.60
August 2011	39.50	22.85	April 2012	27.30	17.10
September 2011	30.00	20.70	May 2012	19.05	15.15
October 2011	27.00	23.40	June 2012	19.35	15.05
November 2011	29.00	23.75			

Category wise Shareholding as at 30th June, 2012.

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters	1568945	17.61
Mutual Funds and UTI	16100	0.18
Banks, Financial Institutions, Insurance Companies	Nil	Nil
FII's	Nil	Nil
Private Corporate Bodies	1660427	18.63
Indian Public	519230	58.28
Non-Resident Indians	234451	2.67
Overseas Body Corporates	Nil	Nil
Clearing Members	238411	0.50
Total	TOTAL	100

Distribution of Shareholding as at 30th June, 2012.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 - 5000	1825	61	525752	9.06
5001 - 10000	649	22	550202	9.48
10001 - 20000	265	9	412518	7.11
20001 - 30000	74	2	194512	3.35
30001 - 40000	49	2	172521	2.97
40001 - 50000	33	1	150655	2.60
50001 - 100000	54	2	429385	7.40
100001 & above	58	2	6475169	72.67
<b>Total</b>	<b>3007</b>	<b>100</b>	<b>5805114 *</b>	<b>100</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

### A. Industry structure and developments

Government interference in the telecom sector has completely destroyed the usage of Outbound Dialing Services by Telecom operators through outsourced agencies. Your company was a leading player in this line and the complete stoppage by everyone of the operators including Tata Docomo on outsources outbound dialing based VAS promotions has completely annulled our market. However company strived hard to become a VAS content provider, and has been approved for content outsourcing by Tata Docomo. However due to the changed scenario with the promotions being regulated excessively even within the operators domain, the revenues have not picked up to a significant level.

Payment Gateway based on IVR systems is completely effected by the Second factor authentication process imposed by RBI on such transactions. Company has withdrawn from this line deliberately in order to cut overheads and is now adopting a wait and watch stand.

Besides, due to a) serious complaints from certain investors and adverse media publicity, and b) bank not cooperating by lending a helping hand and not converting the adhoc loan into an increased limit at an appropriate time whereby making it impossible to pay salaries, most of the employees have deserted making it impossible to service the old contracts, resulting in disputes with regard to VAS and Payment Gateway services. Management is doing firefighting by gradually hiring back by infusion of additional support and also entering into compromises with clients and agreeing to discounts as well as reduction in the already invoiced amounts.

However, Corebanking technology is promising with enquiries coming in and a few sales of corebanking and related products with in Urban Cooperative banking sector.

**B. Financial condition****Sources of funds****1. Share capital**

No change in the share capital of the company during the year.

**2. Reserves and Surplus**

There has been a significant erosion in the reserves and surplus due to large loss in the year of Rs.441 Lakhs.

**Application of funds****3. Fixed assets**

During the year, there have been additions to gross block consisting of Rs.2.84 Crores largely consisting of capital work in progress being commissioned and other acquisitions during the beginning of the year as the company prepared for executing large VAS orders. Rs96.72 Lakhs of assets have been retired due to malfunctioning and other reasons which is normal with the technology assets of this nature.

**4. Investments**

**No investments have been made during the year.**

**5. Outlook**

During the year, there was a battle of sorts with disgruntled investors as well as with the bank. However all disputed with the investors have been amicably settled and the respective investors have filed complaint withdrawal with all agencies. However before the situation calmed down, many employees have deserted the company. The management is trying to bring back the company on rails and has partly succeeded by bagging the VAS content provider status from Tata Docomo. However revenues have not yet started flowing in and there is a fairly reasonable chance of succeeding in this line and accruing revenues in the next year. There is also a probability of sales picking up in technology line if Dhanlaxmi extends its supports, which the management is continuously pursuing.

**6. Risks and Concerns**

There are no more risks that the company may come across now that all the complaints are withdrawn except some harsh methods from bank which are unlikely in this year. There are no signs nor communication yet from bank in this regard.

**7. Internal Control Systems and their Adequacy**

Considering the size of operations of the company, control systems are adequate in all respects.

**8. Discussions on financial performance with respect to operational performance**

During the year, the focus was on surviving in the threats from market, certain disgruntled investors and the bank. The aspect of monitoring operational performance will be dealt with in the future.

**9. Disclosure on transactions**

During the year, there have been no adverse transactions with any of its directors or the members of the company, The transactions with related parties appear in the notes to accounts.

For and on behalf of the Board

**Maruti Ram Praturi**

Managing Director

PLACE : HYDERABAD

DATE : 06-12-2012

**AUDITORS REPORT**

To,  
The Members  
**M/s. Telecanor Global Limited**

1. We have audited the attached Balance Sheet of TELECANOR GLOBAL LIMITED, as at 30 June 2012, 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 June 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 30 June 2012 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 June 2012.
    - 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 for the period ended on that date.

For M/s. Gopal & Rajan  
CHARTERED ACCOUNTANTS  
Firm Registration No.000953S

K.GOUTHAM SUBBIAH  
PARTNER  
Membership No.203237

PLACE : HYDERABAD  
DATE : 06-12-2012

**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. 96,72,675/- as the management is of the opinion that these assets has no more value. The same was sold for Rs. 11,25,000/-.
- (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 is as follows :

CST payable	Rs.	2,01,844/-
FBT payable	Rs.	75,000/-
IT Payable	Rs.	1,23,14,271/-
Service Tax Payable	Rs.	54,73,603/-
VAT Payable	Rs.	16,17,215/-

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 June 2012 (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.
- (x) In our opinion, and according to the information and explanations given to us 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 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 were applied by the company for the purpose for which they were obtained.
- (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 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 me, 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

K.GOUTHAM SUBBIAH  
PARTNER  
Membership No.203237

PLACE : HYDERABAD  
DATE : 06-12-2012

**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 June 2012, 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 our opinion and to the best of our information and explanations given to me, 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 SUBBIAH  
PARTNER  
Membership No.203237

PLACE : HYDERABAD  
DATE : 06-12-2012

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

Cash Flow Statement	As on 31-3-2012 Rs.	As on 31-3-2011 Rs.
A. Cash from Operations		
Net Loss/ Profit before Interest and Taxes	(44,440,713.00)	54,623,871.00
Adjustment for Depreciation	33,230,689.00	17,695,076.00
Profit before working capital changes	(11,210,024.00)	72,318,947.00
(Increase) / Decrease in Current Assets	4,020,079.00	(33,722,873.00)
Increase/ (Decrease) in Current Liabilities	41,883,810.00	5,335,054.00
current taxes	-	(8,624,043.00)
loss on sale of asset		
Net Cash used in Operating activities	34,693,865.00	35,307,085.00
B. Cash flow from Investing Activities		
(Purchase) / Sale in Fixed Assets	(18,742,550.00)	(89,043,930.00)
C. Cash Flow from financing Activities		41,949,988.00
Decrease in Long term borrowings	(16,315,415.00)	
Increase in Capital		
Decrease in Long term loans and advances(asset)	(364,100.00)	(11,786,857.00)
E. Cash and Cash Equivalents as at Beginning	634,989.00	12,421,846.00
G. Cash and Cash Equivalents as at Ending	270,889.00	634,989.00

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 : 06-12-2012

**TELECANOR GLOBAL LIMITED****(Formerly Victory Projects Limited)****Balance Sheet as at 31st March 2012**

<b>Particulars</b>	<b>Note</b>	<b>As on 30-06-2012 (For 15 Months)</b>	<b>As on 31-3-2011 (For 12 Months)</b>
<b>Equity and Liabilities</b>			
Shareholders Funds			
Share Capital	2	86,041,584	85,788,015
Reserves and Surplus	3	313,983,648	358,424,359
Share warrants	4	2,500,000	2,500,000
Expired Share warrants	5	9,804,555	9,804,555
Non Current Liabilities			
Long Term Borrowings	6	12,067,622	28,690,450
Deferred Tax	7	15,492,134	15,492,134
Current Liabilities			
Trade Payables	8	447,720	5,632,453
Other Current Liabilities	9	80,241,369	24,548,784
Short Term provisions	10	-	8,624,042
		<b>520,578,632</b>	<b>539,504,792</b>
<b>Assets</b>			
Non Current Assets			
Fixed Assets	11	440,626,633	455,114,771
Long Term Loans and Advances	12	4,171,789	4,225,632
Other Non Current Assets	13	13,425,223	13,425,223
Current Assets			
Trade Receivables	14	59,027,921	65,998,088
Short term loans and advances	15	3,056,177	106,089
Cash and Cash Equivalentents	16	270,889	634,989
		<b>520,578,632</b>	<b>539,504,792</b>
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 : 06-12-2012

**TELECANOR GLOBAL LIMITED**

(Formerly Victory Projects Limited)

Profit &amp; Loss Account for the year ended 30th June 2012

Particulars	Note	For the year 30-06-2012 (For 15 Months)	For the year 31-3-2011 (For 12 Months)
<b>Revenue From Operations</b>			
Income from IT & Aqua	17	115,414,399	150,294,818
Other Income	18	-	533,102
Total Revenue		<b>115,414,399</b>	<b>150,827,920</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	19	58,644,702	41,817,839
Employee Benefit Expenses	20	13,535,967	10,433,695
Finance costs	21	10,655,642	2,793,655
Depreciation	11	33,230,689	17,695,076
Other Expenses	22	43,788,112	23,463,785
Total Expenses		<b>159,855,112</b>	<b>96,204,050</b>
	44,440,713	(54,623,870)	
<b>(Loss) / Profit Before Tax</b>		(44,440,713)	54,623,871
Current Tax		-	8,624,043
Deferred Tax		-	6,695,964
(Loss)/Profit After Tax		(44,440,713)	39,303,864
(Loss)/Profit b/f from previous year		32,591,339	(6,712,525)
<b>(Loss) / Profit trans to Balance Sheet</b>		(11,849,374)	32,591,339
Notes to Balance sheet and Statement of Profit and Loss	1 to 22		

For M/s. Gopal & Rajan  
CHARTERED ACCOUNTANTS  
Firm Registration No.000953S

K.GOUTHAM SUBBIAH  
PARTNER  
Membership No.203237

PLACE : HYDERABAD  
DATE : 06-12-2012

For and on behalf of the Board

**Maruti Ram Praturi**  
Managing Director

**D. Seenu Reddy**  
Director

**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.

**g) Foreign Currency Transactions**

Transactions in foreign exchange currencies are recorded at the rate ruling 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.

**h) 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.

**i) 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.

**j) Loans and Advances**

The company was sanctioned additional working capital of Rs. 2,00,00,000/- by Dhanalakshmi bank Ltd in addition to Rs. 1,00,00,000/- which was sanctioned in previous year. During the period ended 30th June 2012 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. During the period ended 30th June 2012 the company has taken vehicle loan from Kotak Mahindra bank and the instalments are overdue.

**k) Exceptional Items**

During the period under review fixed assets worth Rs. 96,72,675/- was sold for Rs. 11,25,000/- as the assets were dysfunctional. Loss on sale of asset was accounted.

**l) 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.

**m) Contingencies and events occurring after the balance sheet date**

The Company at its EGM held on 29th Oct 2012 resolve to consider the remittances of Mr Hemant K.Gupta in connection with the earlier allotted share warrants which are not utilised for conversion to shares, due to technical issue, amounting to Rs. 89,33,100/- as being eligible for a preferential issue, because of which the Equity share capital will increase accordingly.

**n) 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.

**o) 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	06-30-2012 Rs. in Lakhs	03-31-2012 Rs. in Lakhs		
<b>1. Segment Revenue</b>				
a. IT Operations and others	1,154	1,502.95		
b. Construction	-	-		
c. Aqua Operations	-	4.78		
<b>Net Sales</b>	<b>1,154</b>	<b>1,507.73</b>		
<b>2. Segment Results</b>				
Profit/Loss before Interest and Tax				
a. IT Operations and others	(1,487)	557.98		
b. Construction	-	-		
c. Aqua Operations	-	2.09		
<b>Total</b>	<b>(1,487)</b>	<b>560.07</b>		
<b>3. Capital Employed</b>				
a. IT Operations and others	-	1,014.25		
b. Construction	44	43.45		
c. Aqua/SEZ Operation	281	262.17		
p) Related Party Transactions				
In Compliance with the requirements of AS 18, the following are the details of transactions with key management personnel.				
Name	Open Bal	Remuneration	Current account	Closing Bal
P.Maruthi Ram	4,52,376.00	6,871,500	3,071,216.00	4,252,660.00

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

During the year under review for the period ending 30 June 2012 the accounts are for 15 months, whereas for the period ended 31st March 2011 the accounts are for 12 months.

PARTICULARS	As on 30-06-2012 Rs.	As on 31-03-2011 Rs
<b>Note No : 2 Share Capital</b>		
<b>Equity Share Capital</b>		
Authorised Share Capital	120,000,000	120,000,000
12,000,000 Equity Shares of Rs.10/- each Issued, Subscribed and Paid- Up	<b>120,000,000</b>	<b>120,000,000</b>
<b>Capital</b>		
8910714 ( Pr Yr 5654114) Equity Shares of Rs.10 each Share allotment money due	89,107,140 (3,065,556)	89,107,140 (3,319,125)
	<b>86,041,584</b>	<b>85,788,015</b>
Reconciliation of the No of Shares at the beginning and at the end of reporting period		
At the Beginning	8,910,714	8,910,714
Issued during the year	-	-
Forfeited / Bought back during the year	-	-
At the End	8,910,714	8,910,714
Details of shareholder holding more than 5%		
Maruti Ram Praturi (7,00,000 shares pledge with Dhanalakshmi bank)	1,352,548	1,352,548
Visual Mind Technologies	636,200	636,200
Oswal Financial Services Ltd	564,452	564,452
Hemant Kumar gupta	450,000	450,000
<b>Note No : 3 Reserves &amp; Surplus</b>		
Share Premium	30,648,680	30,648,680
Premium due on share allotment	(920,375)	(920,375)
Revaluation reserve	295,754,715	295,754,715
General Reserve	(11,499,372)	32,941,339
	<b>313,983,648</b>	<b>358,424,359</b>
<b>Note No: 4 Sharewarrants</b>		
Share warrant application money	2,500,000	2,500,000
	<b>2,500,000</b>	<b>2,500,000</b>
<b>Note No: 5 Expired Sharewarrants</b>		
Expired share warrants	7,754,842	7,754,842
Share warrant control	2,049,713	2,049,713
	<b>9,804,555</b>	<b>9,804,555</b>
<b>Note No : 6 Longterm Borrowings</b>		
Dhanalakshmi Bank - Term Loan	10,904,854	28,690,450
Kotak Mahindra bank - Vehicle Loan	1,162,768	-
	<b>12,067,622</b>	<b>28,690,450</b>

PARTICULARS	As on 30-06-2012 Rs.	As on 31-03-2011 Rs
<b>Note No : 7 Deferred Tax Liability</b>		
Deferred Tax Liability	15,492,134	15,492,134
	<b>15,492,134</b>	<b>15,492,134</b>
<b>Note No : 8 Trade Payables</b>		
Trade Creditors	447,720	5,632,453
	<b>447,720</b>	<b>5,632,453</b>
<b>Note No:9 Other Current Liabilities</b>		
Audit Fees Payable	370,000	-
Salaries Payable	1,725,061	87,517
CST Payable	201,844	-
VAT Payable	1,617,215	811,800
FBT Payable - 2008-2009	75,000	75,000
Income Tax Payable	12,314,271	3,690,229
Reliance Data Centre	162,407	-
Service Tax payable	5,473,603	3,649,951
Outstanding Liabilities	922,353	3,635,783
MarutiRam Praturi	4,252,660	452,376
Vijayalakhmi Praturi	63,550	63,550
TDS payable	1,785,822	1,323,040
Dhanalakshmi Bank - Cash Credit	34,164,125	9,870,868
Dhanalakshmi Bank - Term Loan	16,476,458	888,670
Kotak Mahindra bank - Vehicle Loan	637,000	-
	<b>80,241,369</b>	<b>24,548,784</b>
<b>Note : 10 Short Term Provisions</b>		
Provision for Income Tax	-	8,624,042
	-	<b>8,624,042</b>
<b>Note No :12 Long Term Loans and Advances</b>		
Rental Deposits	110,650	141,714
Airtel Ltd	100,000	-
Riverdale Estates	-	1,020,000
Other Deposits	19,986	19,836
Idea Cellular Deposit	100,000	-
Indu Tech Zone P Ltd	114,480	114,480
Mumbai Guest House	-	100,000
Dep for Banzara hills rent	104,700	700,000
Tata NDNC Dep	100,000	100,000
Rent Advance - Ludhiana	115,200	115,200
TDS receivable	1,914,402	1,914,402
TDS receivable 2011-2012	1,492,371	-
	<b>4,171,789</b>	<b>4,225,632</b>

**Note No : 11 Fixed assets and Calculation of Depreciation**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	04-01-2011		30-06-2012		04-01-2011		For the year		30-06-2012		31-03-2011	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Land	315,147,944	-	315,147,944	-	-	-	-	-	-	315,147,944	315,147,944	
Buildings	187,501	-	187,501	86,424	7,854	94,277	94,277	94,277	93,224	101,077	101,077	
Aqua Ponds	19,095,808	-	19,095,808	11,741,784	1,137,541	12,879,325	12,879,325	12,879,325	6,216,483	7,354,024	7,354,024	
Plant & machinery	111,392	-	111,392	2,594	6,636	9,230	9,230	9,230	102,162	108,798	108,798	
Furniture & Fixtures	5,218,082	-	5,218,082	540,178	414,238	954,416	954,416	954,416	4,263,666	4,677,904	4,677,904	
Office equipments	561,666	-	561,666	425,990	33,459	459,449	459,449	459,449	102,217	135,676	135,676	
Computers	4,069,462	-	4,069,462	1,696,494	827,286	2,523,780	2,523,780	2,523,780	1,545,682	2,372,968	2,372,968	
Cellphones	41,095	-	41,095	2,081	8,354	10,435	10,435	10,435	30,660	39,014	39,014	
Server & Hardware Infrastructure	74,046,111	1,608,461	65,981,897	9,672,675	14,859,722	369,433	25,726,285	25,726,285	40,255,612	62,810,116	62,810,116	
Vehicles	-	2,680,882	2,680,882	-	641,787	641,787	641,787	641,787	2,039,095	-	-	
CRM Software License	2,100,000	-	2,100,000	1,260,000	526,726	1,786,726	1,786,726	1,786,726	313,274	840,000	840,000	
GIS-GPS Software	8,227,880	-	8,227,880	2,515,699	2,063,733	4,579,432	4,579,432	4,579,432	3,648,448	5,712,181	5,712,181	
Comwebsoftware	-	11,242,500	11,242,500	-	833,819	833,819	833,819	833,819	10,408,681	-	-	
Inhouse Software - Common Modules	8,006,871	-	8,006,871	4,998,251	2,008,299	7,006,550	7,006,550	7,006,550	1,000,321	3,008,620	3,008,620	
Inhouse Software Transaction Gateway	14,575,700	-	14,575,700	77,678	2,963,111	3,040,790	3,040,790	3,040,790	11,534,910	14,498,022	14,498,022	
Inhouse Software Outbound Server Software Components	18,162,631	-	18,162,631	7,650,394	4,555,586	12,205,980	12,205,980	12,205,980	5,956,651	10,512,237	10,512,237	
Inhouse Software - IVR PG software	27,796,190	12,883,382	40,679,572	-	2,711,971	2,711,971	2,711,971	2,711,971	37,967,601	27,796,190	27,796,190	
<b>Total</b>	<b>497,348,333</b>	<b>28,415,225</b>	<b>516,090,883</b>	<b>9,672,675</b>	<b>33,600,121</b>	<b>369,433</b>	<b>75,464,251</b>	<b>75,464,251</b>	<b>440,626,632</b>	<b>455,114,771</b>	<b>455,114,771</b>	
Previous Year	408,304,403	61,247,740	497,348,333	-	17,695,076	-	42,233,562	42,233,562	455,114,771	383,765,917	383,765,917	

PARTICULARS	As on 30-06-2012 Rs.	As on 31-03-2011 Rs
<b>Note No :13 Other Non Current Assets</b>		
Advances for Construction Project Lands	4,446,423	4,446,423
Proposed SEZ project land advances	8,978,800	8,978,800
	<b>13,425,223</b>	<b>13,425,223</b>
<b>Note No : 14 Trade Receivables</b>		
Trade Debtors	59,027,921	65,998,088
	<b>59,027,921</b>	<b>65,998,088</b>
<b>Note No : 15 Short Term Loans and Advances</b>		
Advocate fees	153,000	-
VAT Receivable	369,700	-
Service Tax Credit	321,936	-
Others	2,211,541	106,089
	<b>3,056,177</b>	<b>106,089</b>
<b>Note No :16 Cash and Cash Equivalentts</b>		
Cash in Hand	263,671	611,962
Cash at bank	7,218	23,027
	<b>270,889</b>	<b>634,989</b>
<b>Note No : 17 Revenue from Operations</b>		
Income from IT Operations	115,414,399	150,294,818
	<b>115,414,399</b>	<b>150,294,818</b>
<b>Note No: 18 Other Income</b>		
Income from Aqua	-	477,500
Discount Received	-	44,117
Interest on Fixed Deposits	-	7,485
Other Income	-	4,000
	<b>-</b>	<b>533,102</b>
<b>Note No : 19 Cost of Materials and Direct Inputs consumerd</b>		
Purchases	2,751,355	20,545,684
Infra Usage Charges	55,893,347	21,272,155
	<b>58,644,702</b>	<b>41,817,839</b>
<b>Note No : 20 Employee Benefit Expenses</b>		
Staff salaries and Contract Workers	9,744,138	7,282,789
Staff Welfare	41,829	150,906
Directors Remuneration	3,750,000	3,000,000
	<b>13,535,967</b>	<b>10,433,695</b>

PARTICULARS	As on 30-06-2012 Rs.	As on 31-03-2011 Rs
<b>Note No : 21 Finance Costs</b>		
Interest on OD	5,499,158	689,894
Interest on Term Loan	4,935,393	2,048,875
Interest on Car Loan	167,268	-
Bank Charges	53,823	54,886
	<b>10,655,642</b>	<b>2,793,655</b>
<b>Note No: 22 Other Expenses</b>		
Payment to Auditors	357,500	405,000
Power,Fuel,Rent &Maintenance	5,935,511	6,341,808
Travel & Conveyance	717,951	624,655
Communication Expenses	11,271,496	6,157,301
Legal & Professional Charges	703,972	3,163,086
Other expenses	132,089	290,813
Advertisement	211,636	122,340
Director Sitting Fees	110,000	45,000
Insurance	113,396	38,605
Printing and Stationary	145,563	85,880
Registrar Charges	215,892	116,240
Telephone charges	416,658	406,410
Trade Discount	14,419,623	-
Office&Site Locations Maintenance	25,000	5,130,398
Loss on Sale of Fixed Assets	8,547,675	-
Bank OD Processing Fee	464,150	536,249
<b>Total :</b>	<b>43,788,112</b>	<b>23,463,785</b>

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 : 06-12-2012

**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  
21st 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 21st Annual General Meeting of M/s. TeleCanor Global Limited., held on Friday the 31st Day of December 2012 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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www.telecanor.com, Email : ram@telecanor.com

**PROXY FORM  
21st Annual General Meeting**

Regd. Folio No. / Client ID No.

No. of Shares 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 21st Annual General Meeting of the Company, to be held on Friday  
the 31st Day of December 2012 at 9.30 a.m. at the Registered office of the Company, or at any  
adjournment thereof.

Signature of the Shareholder .....

Revenue  
Stamp  
Re. 1