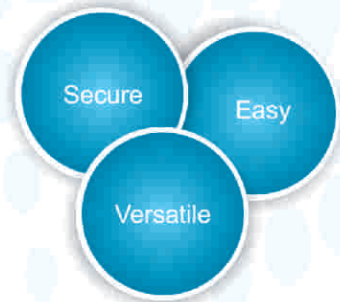


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CORPORATE INFORMATION

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

Company Secretary: **Mr. B. Laxman (ACS - 20625)**

Statutory Auditors: **M/s. B.Chakrapani & Co,**
Chartered Accountants,
3-6-690/A to C, Flat No.402,
D V Arcade, Street No.10,
Himayat Nagar,
Hyderabad - 500 029

Bankers: State Bank of India
Dhanalaxmi Bank Ltd

Registered Office: Imarat Park, 2nd Floor,
above Talwar Hyundai Showroom,
Road No. 2, Opposite to KBR Park, Banjara Hills,
Hyderabad 500 034
Telephone: +91(40) 23551657 / 8
Email: ram@telecanor.com
www.telecanor.com

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

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Notice of 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the members of the Company Telecanor Global **Limited** (**Corporate Identification Number - L45200AP1991PLC012974**) will be held on Friday the 30th Day of September 2011 at 10.30 A.M at the registered office of the Company situated at Imarat Park, 2nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad 500 034 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss account for the year ended on that date and directors and auditors Reports there on.
2. To appoint a Director in place of Mr.Ramchander Murthy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 29-08-2011

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 27-09-2011 to 30-09-2011 (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.Ramchander Murthy
Date of Birth	07-05-1959
Date of Appointment	03-07-1995
Educational Qualifications	FCA
Expertise in specific functional areas	Accounting, Finance, Company Law
Directorships held in other Public Companies (excluding Foreign Companies)	NIL
Memberships/ Chairmanships of Committees across public companies (Excluding Foreign Companies)	NIL
Share Holding in the Company as on 31st March 2011	2738

DIRECTORS' REPORT

To
The Members
TELECANOR GLOBAL LIMITED

Your Directors are happy to present their Twentieth Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

Particulars	(Rs. in lakh)	
	2010-11	2009-10
Income from Operations	1508.28	804.25
Total Expenditure	785.09	430.71
Gross Profit/Loss after Interest	723.19	373.54
Depreciation	176.95	81.82
Current Tax	86.24	49.58
Profit After Current Tax	460.00	242.14
Deferred Tax	66.96	87.96
Net Profit/Loss	393.04	154.18

Total income in 2010-11 was Rs.1508.28 Lakhs as against Rs.804.25 Lakhs representing an increase of 87.54%. Even gross profit has shown a healthy increase of 93.6% Profit after current tax increased by 89.97% and the net profit after current and deferred tax went up by 154.92%.

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

DIRECTORS:

As per the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Mr.Ramchander Murthy, 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 and the annual listing fees for the year 2010-11 have been paid to the Exchange.

AUDITORS:

The Statutory Auditors M/s.B.Chakrapani & Co, 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:

- Conservation of Energy: The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.
- 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.
- 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	52 years	Managing Director	30,00,000	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:

- That, in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departures;
- 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.
- 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;
- That, the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 29-08-2011

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

Composition of the Board:

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

Name of the Director and their Director Identification Number (DIN)	Category	Designation	Directorship in other Companies @	Chairmanship in committees of Boards of other Companies \$	Membership in committees of Boards of other Companies \$
Mr. Maruti Ram Praturi DIN - 01556649	Promoter Director	Managing Director	Nil	Nil	Nil
Mr. Ramachander Murthy DIN - 00721759	Independent Non-Executive Director	Director	Nil	Nil	Nil
Smt. P. V. Lakshmi DIN - 01596535	Promoter Director and Non-Executive	Director	Nil	Nil	Nil
Mr. D. Seenu Reddy 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 2010-11 Board of Directors of the Company met Nine times on 12-04-2010, 20-04-2010, 24-05-2010, 30-06-2010, 20-07-2010, 14-08-2010, 13-11-2010, 21-12-2010 and 14-02-2011. 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 2010
Mr. Maruti Ram Praturi	9	9	Yes
Mr. Ramachander Murthy	9	6	No
Smt. P. V. Lakshmi	9	9	Yes
Mr. D. Seenu Reddy	9	9	Yes

Code of Conduct:

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

3. Audit Committee

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

- Oversight of the company's financial reporting process.
- Recommending appointment and removal of external auditors and fixing of their fees.
- 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.
- Reviewing the adequacy of the Audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.
- 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. Ramachander Murthy is the Chairman of the Audit Committee. The Company Secretary Mr. B. Laxman acts as the Secretary to the Committee.

During the financial year 2010-11 Audit Committee met four times on 30-05-2010, 14-08-2010, 13-11-2010 and 13-02-2011. All the members of the Committee attended all the above meetings

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

4. Remuneration Committee

The members of the Remuneration Committee of the Board of Directors of the Company are Mr. 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:

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

Remuneration Policy:

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

The details of remuneration and sitting fees paid or provided to each of the Directors during the year 2010-11 are as follows:

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

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

Shareholding details of directors as on March 31, 2011 is as follows:

Name of the Director	No. of shares held
Mr. Maruti Ram Praturi	1352548
Mr. Ramachander Murthy	2738
Smt. P. V. Lakshmi	176500
Mr. D. Seenu Reddy	Nil

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

5. Investor Grievance Committee

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

Scope of the Committee

The scope of the Shareholders' Share Transfers and Shareholders Grievance Committee is to review and address the grievances of the shareholders in respect of share transfers, transmissions, dematerializations and rematerialisation of shares, dividend, change of address, and other miscellaneous matters.

During the year under review the Company had resolved all the complaints from the shareholders and there are no pending shareholder complaints or share transfers as on date of this report.

Meetings and Attendance:

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

6. Annual General Meetings

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

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

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

7. Disclosures:

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

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

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

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

Prohibition of Insider Trading

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

8. Means of Communication

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

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

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

9. General Share Holders information

Registered Office & address for Correspondence:	Imarat Park, 2nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad 500 034, Telephone : +91(40)23551657/8, www.telecanor.com Email : ram@telecanor.com
Annual General Meeting: (Date, Time and Venue)	Friday the 30th Day of September 2011 at 10.30 A.M at the registered office of the Company situated at Imarat Park, 2nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad 500 034
Financial Year:	April 1, 2010 to 31st March 2011.
Book Closure:	September 27, 2011 to September 30, 2011 (both days inclusive)
Listing of Shares:	The Company shares are listed on The Bombay Stock Exchange Limited and The Hyderabad Stock Exchange Limited. The Company has paid listing fees for the financial year 2010-11 to The Bombay Stock Exchange Limited.
Stock Code	BSE 530595
ISIN Number for NSDL & CDSL	INE 381G01013
Share Transfer Agent:	Venture Capital And Corporate Investments P Ltd 12-10-167, Bharat Nagar, Hyderabad, 500 018 Phone : +91 040-23818475/23818476/23868023 Fax : +91 040-23868024 Email: info@vccilindia.com
Share Transfer System:	Equity Shares lodged for transfer in physical mode are normally registered within 15 days from the date of receipt. The Share Transfer Agent is handling all the Share Transfers and related transactions. As on March 31, 2011, no share transfer or complaints were pending.
Details on use of public funds obtained in 3 years	No fund was raised from public during the last three years
Address for Correspondence:	Mr. B. Laxman, Company Secretary, TeleCanor Global Limited Imarat Park, 2nd Floor, above Talwar Hyundai Showroom, Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad 500 034, Telephone : +91(40)23551657/8, 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 March 31, 2011, 3225096 Equity Shares of the Company forming 36.19% 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 2010-11 at The Bombay Stock Exchange Limited (BSE) is as given below.

Month	BSE-High	BSE-Low	Month	BSE-High	BSE-Low
April 2010	35.90	29.00	October 2010	48.00	23.10
May 2010	31.30	24.35	November 2010	55.00	38.30
June 2010	34.45	23.80	December 2010	55.30	44.65
July 2010	33.90	25.05	January 2011	53.80	41.85
August 2010	28.50	21.05	February 2011	46.50	34.55
September 2010	29.00	17.20	March 2011	35.90	29.00

Category wise Shareholding as at March 31, 2011.

Category	No. of Shares held	Percentage of Shareholding (%)
Promoters	1538915	17.27
Mutual Funds and UTI	16100	0.18
Banks, Financial Institutions, Insurance Companies	Nil	Nil
FII's	Nil	Nil
Private Corporate Bodies	1951029	21.89
Indian Public	5165821	57.98
Non-Resident Indians	231061	2.59
Overseas Body Corporates	Nil	Nil
Clearing Members	7588	0.08
Tust	200	0.01
Total	8910714	100

Distribution of Shareholding as at March 31, 2011.

Number of Equity Shares held	Shareholders (Numbers)	Shareholders (Percentage)	Shares (Numbers)	Shares (Percentage)
1 - 5000	1825	60.69	525752	9.06
5001 - 10000	649	21.58	550202	9.48
10001 - 20000	265	8.81	412518	7.11
20001 - 30000	74	2.46	194512	3.35
30001 - 40000	49	1.62	172521	2.97
40001 - 50000	33	1.09	150655	2.60
50001 - 100000	54	1.79	429385	7.40
100001 & above	58	1.92	3369569	58.04
Total	3007	100	5805114	100

Shareholding details of directors as on March 31, 2011 is as follows:

Name of the Director	No. of shares held
Mr. Maruti Ram Praturi	1352548
Mr. Ramachander Murthy	2738
Smt. P. V. Lakshmi	176500
Mr. D. Seenu Reddy	Nil

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

Declaration

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

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 29-08-2011

Management Discussion and Analysis

1. Overview

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

2. Industry Structure and Developments

a. Overview of Mobile VAS business and ProZeal:

In continuation to the commitment in Mobile VAS business, company has developed SMS subscription packs of superior quality which have been approved by the telecom operators. Company sees a bright future in the niche area of being a leading VAS promotion agency as well as content provider. At the same time it is adding other reputed content providers as partners, as well as expanding to other telecom operators.

b. Company's core banking solution "KeenBank", which is built on a flexible architecture, affordable by the Urban Co-operative Banks has now gained popularity in this segment. It expects to gain a sizeable market share, since UCB's are clamoring for affordable solution for quick compliance to RBI regulations.

c. Payment gateway business

Company has entered into agreements with leading Internet Payment Gateways for marketing its IVR solution as partners. It has applied for patent for its I2FA product which will completely eliminate the problems arising out of Second factor authentication imposed on IVR transactions. It has added several merchants for its payment gateway industry within the first year of launching operations.

3. Further activity on SEZ development

Government's plans on PCPIR investments in the area where your company has a sizeable estate are now getting more crystallized. As a result management is viewing at taking a decision on the appropriate time for further steps on this matter during this year.

4. Opportunities and Threats

Your company's product line in VAS promotion business will be a big asset in the opportunities opening up due to operators' objective to earn substantial earnings from VAS business. Your company's technology alliances with several major payment gateways will give it a solid footing in this industry.

Like all other IT and related industries, there is a constant threat of employee attrition. Company has put in place various measures including proposal to offer ESOPs amongst others.

5. Segment-wise Performance

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

6. Outlooks

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

7. Risks and concerns

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

8. Internal Control system and their adequacy

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

9. Discussions on financial performance with respect to operational performances

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

10. Disclosures on transactions

The company has no adverse transactions with any of its directors or members of the board and/or the company. The transactions with related Appear in the notes to the accounts.

AUDITORS REPORT

The Members

M/s. Telecanor Global Limited

1. We have audited the attached Balance Sheet of TELECANOR GLOBAL LIMITED, as at March 31, 2011, the Profit & Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our 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 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 my 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 our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 31st March, 2011
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For B. CHAKRAPANI & CO.,
CHARTERED ACCOUNTANTS,
Firm Regn No. 006695S

B.CHAKRAPANI
PARTNER,
Membership No.023598

Place: Hyderabad
Date: 30.05.2011.

RE. TELECANOR GLOBAL LIMITED

Annexure to Audit Report

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

- (i)
 - a. The company has maintained records showing full particulars including quantitative details of situation of fixed assets.
 - b. The fixed assets were physically verified by the management during the year, and discrepancies noticed on such verification have been properly dealt with in the accounts.
 - c. During the year, the company has not disposed/written down any fixed assets.
- (ii)
 - a. The management of the company has conducted physical verification of its inventories adequately during the year.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company, as per the information and explanations provided, has not accepted or taken loans from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and hence the matters regarding rate of interest, terms & conditions of loans, repayments and overdue amounts more than Rs. 1 Lakh are not applicable.
- (iv) In 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 our audit, no major weakness has been noticed in internal controls.
- (v)
 - a. According to the information and explanations given to us, We are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions, if any, in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. There are no such transactions.
- (vi) The company has not accepted deposits from the public and hence the provisions of section 58 A of the Companies Act, 1956 and the rules framed there under are not applicable to the company. In the company's case, no order has been passed by the Company Law Board.
- (vii) The company does not have internal audit system and the company functions with a detailed review of transactions by its audit committee, which is commensurate with the size and nature of its present business.
- (viii) As per the information provided by the Management, that the Company is not covered by the rules made by the Central Government for the maintenance of cost records under Sec 209 (I)(d) of the Companies Act, 1956.
- (ix)
 - (a) As per the information provided by the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues for Income Tax, Wealth Tax, Sales Tax & other statutory dues applicable to it excepting Rs.3.11 lacs towards income tax, Rs.0.75 lacs towards Fringe Benefit Tax for the financial year 2008-09, Rs.1.84 lacs Towards TDS for the financial year 2009-10, Rs. 34.79 lacs towards income tax for the year 2009-10. We are informed that the company has no liability towards gratuity and that the provisions of the Provident Fund & ESI Act are not applicable to it.

(b) We are informed that there are no dues of sales tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment financial institution, bank or debenture holders.
- (xi) We are of the 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.
- (xii) 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.
- (xiii) 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.
- (xiv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information provided and explanations given that the term loans were applied by the company for the purpose for which they were obtained.
- (xvi) 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.
- (xvi) 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.
- (xvii) According to the information given that the company has not made any public issue during the year. Hence this clause is not applicable.
- (xviii) 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 our audit.

For B. CHAKRAPANI & CO.,
CHARTERED ACCOUNTANTS,
Firm Regn No. 006695S

B.CHAKRAPANI
PARTNER,
Membership No.023598

Place: Hyderabad
Date: 30.05.2011.

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 year ended March 31, 2011, 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 B. CHAKRAPANI & CO.,
CHARTERED ACCOUNTANTS,
Firm Regn No. 006695S

Place: Hyderabad
Date: 29-08-2011

B.CHAKRAPANI
PARTNER,
Membership No.023598

TELECANOR GLOBAL LIMITED
(Formerly Victory Projects Limited)

Cash Flow Statement	As on 31-3-2011 Rs.	As on 31-3-2010 Rs.
A. Cash from Operations		
Netprofit before Interest and Taxes	54,623,871	29,172,341
Adjustment for Depreciation	17,695,076	8,181,656
Profit before working capital changes	72,318,947	37,353,997
(Increase)/Decrease in Current Assets	(33,722,874)	(17,515,022)
Increase/(Decrease) in Current Liabilities	(13,093,544)	13,399,245
Net Cash used in operating activities	25,502,529	33,238,221
B. Cash flow from Investing Activities		
(Purchase) / Sale in Fixed Assets	(89,043,930)	(52,851,878)
C. Cash flow from Financing Activities	51,754,543	31,000,572
D. Net Cash outflow/ Inflow	(11,786,858)	11,386,915
E. Cash and Cash Equivalents as at Beginning	12,421,846	1,034,931
G. Cash and Cash Equivalents as at Ending	634,988	12,421,846
Accounting Policies and Notes to Accounts Annexed for B Chakrapani & Co., Chartered Accountants Firm Regn. No. 006695S		

For and on behalf of the Board

B. Chakrapani
Partner
Membership No. 023598

P. Maruti Ram
Managing Director

D. Seenu Reddy
Director

Place: Hyderabad
Date : 30/05/2011

TELECANOR GLOBAL LIMITED
(Formerly Victory Projects Limited)
Balance Sheet as at 31st March 2011

Particulars	Schedules		31-03-2011 Rs		31-03-2010 Rs
I. SOURCES OF FUNDS					
A. SHARE HOLDERS' FUNDS					
Share Capital	1	98,092,570			95,592,570
Reserves & Surplus	2	<u>358,424,359</u>	456,516,929		325,833,020
B. LOAN FUNDS					
Secured Loans	3		39,449,988		0
C. DEFERRED TAX LIABILITY					
			15,492,134		8,796,170
TOTAL			511,459,051		430,221,760
II. APPLICATION OF FUNDS					
A. FIXED ASSETS					
Gross Block	4	469,552,143		408,304,403	
Less: Depreciation		42,233,562		24,538,486	
Net Block			427,318,581		383,765,917
Capital Work in Progress			27,796,190		
B. CURRENT ASSETS, LOANS & ADVANCES					
Sundry Debtors	5	65,998,088		31,354,300	
Cash & Bank Balances	6	634,988		12,421,844	
Loans & Advances	7	<u>15,755,025</u>		<u>16,675,940</u>	
		82,388,101		60,452,084	
Less: Current Liabilities & Provisions	8	26,043,821		20,708,767	
Net Current Assets			56,344,280		39,743,317
Profit and Loss Account Debit Balance					6,712,525
TOTAL			511,459,051		430,221,760

Significant Accounting Policies and
notes on Accounts 14
for B Chakrapani & Co.,
Chartered Accountants
Firm Regn. No. 006695S

B. Chakrapani
Partner
Membership No. 023598

For and on behalf of the Board
P. Maruti Ram D. Seenu Reddy
Managing Director Director

Place: Hyderabad
Date : 30/05/2011

TELECANOR GLOBAL LIMITED
(Formerly Victory Projects Limited)
Profit & Loss Account for the year ended 31st March 2011

Particulars	Schedules		Current Year 31-03-2011 Rs	Previous Year 31-03-2010 Rs
Income				
Income from Operations	9		150,772,318	79,834,737
Other Income			55,602	589,845
Total			150,827,920	80,424,582
Expenditure				
Material Cost	10		20,545,685	3,150,383
Staff Costs	11		7,433,695	8,158,570
Operating, Administration & other Expenses	12		47,199,689	31,732,183
Finance Charges	13		3,329,904	29,449
Depreciation	4		17,695,076	8,181,656
Total			96,204,049	51,252,241
Profit Before Tax			54,623,871	29,172,341
Current Tax			8,624,043	4,957,645
Deferred Tax			6,695,964	8,796,170
Profit After Tax			39,303,864	15,418,526
Balance b/f from previous year			(6,712,525)	(22,131,051)
Balance carried to Balance sheet			32,591,339	(6,712,525)
Basic EPS			4.41	1.73
Diluted EPS			4.41	1.73

SIGNIFICANT ACCOUNTING POLICIES 14
AND NOTES ON ACCOUNTS

for B Chakrapani & Co.,
Chartered Accountants
Firm Regn. No. 006695S

For and on behalf of the Board

B. Chakrapani
Partner
Membership No. 023598

P. Maruti Ram
Managing Director

D. Seenu Reddy
Director

Place: Hyderabad
Date : 30/05/2011

TELECANOR GLOBAL LIMITED
Schedules to Balance Sheet

Particulars		As at 31-03-2011 Rs		As at 31-03-2010 Rs
<u>Schedule 1 :</u> Share Capital				
Authorised Share Capital 12,000,000 equity shares of Rs 10 each (Pr Yr. 12,000,000 Equity Shares of Rs.10 each)		120,000,000		120,000,000
Issued, subscribed & paid up 8910714 (Previous Year 8910714) equity shares of Rs 10 each		89,107,140		89,107,140
Less : Share allotment money due		(3,319,125)		(3,319,125)
Expired Share Warrants		9,804,555		9,804,555
Share Warrants Application Money		2,500,000		
Total		98,092,570		95,592,570
<u>Schedule 2 :</u> Reserves & Surplus				
General Reserve		350,000		350,000
Share Premium	30,648,680		30,648,680	
Less : Premium due on share allotment	<u>920,375</u>	29,728,305	<u>920,375</u>	29,728,305
Revaluation Reserve		295,754,715		295,754,715
Surplus in Profit & Loss A/c - Current Period		32,591,339		
Total		358,424,359		325,833,020
<u>Schedule 3 :</u> Secured Loans				
Dhanalakshmi Bank OD (Against Hypothecation of Book Debts upto 120 days)		9,870,868		0
Dhanalakshmi Bank - Term Loan (Against Hypothecation of Plant & Machinery i.e., Routers, Servers, Computers, Infrastructure etc., Collateral Security of Equitable Mortgage 31.80 Acres of Company's land situated at Marripalem village, Visakhapatnam Dist., and pledge of 700000 equity shares of the Company belonging to the Promoter Group)		29,579,120		0
Total		39,449,988		0

**Schedule 4 :
Fixed Assets**

	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	At 01.04.2010		Deletions		31.3.2011		At 31.3.2011		31.3.2011		31.03.2010	
	Rs.	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	-	80,161	6,263	187,501	86,424	-	86,424	101,077	107,340	107,340	-
Aqua Ponds	19,095,808	-	10,834,733	907,051	19,095,808	11,741,784	-	11,741,784	7,354,024	8,261,075	8,261,075	-
Plant & machinery	-	111,392	-	2,594	111,392	2,594	-	2,594	108,798	103,396	103,396	-
Furniture & Fixtures	464,688	-	4,753,394	178,886	5,218,082	540,178	-	540,178	4,677,904	103,396	103,396	-
Office equipments	561,666	-	2,661,337	26,679	561,666	425,990	-	425,990	135,676	162,355	162,355	-
Computers	1,408,125	-	41,095	434,928	4,069,462	1,696,494	-	1,696,494	2,372,968	146,559	146,559	-
Cellphones	-	41,095	-	2,081	41,095	2,081	-	2,081	39,014	-	-	-
VAS & PG Infra	27,004,275	131,800	14,575,700	4,387,308	27,136,075	6,310,267	-	6,310,267	20,825,808	25,081,316	25,081,316	-
White Labeled Product	-	-	-	77,678	14,575,700	77,678	-	77,678	14,498,022	-	-	-
Software and License Rights	2,100,000	-	840,000	420,000	2,100,000	1,260,000	-	1,260,000	840,000	1,260,000	1,260,000	-
Proprietary Software	18,162,631	-	4,017,868	3,632,526	18,162,631	7,650,394	-	7,650,394	10,512,237	14,144,763	14,144,763	-
Software Product Development	8,006,871	-	3,396,877	1,601,374	8,006,871	4,998,251	-	4,998,251	3,008,620	4,609,994	4,609,994	-
Server & Hardware Infrastructure	7,937,014	38,973,022	553,596	4,372,132	46,910,036	4,925,728	-	4,925,728	41,984,308	7,383,418	7,383,418	-
GIS-GPS Software	8,227,880	-	870,123	1,645,576	8,227,880	2,515,699	-	2,515,699	5,712,181	7,357,757	7,357,757	-
Capital Work in Progress	27,796,190	-	27,796,190	-	27,796,190	-	-	-	27,796,190	-	-	-
Total	408,304,403	89,043,930	24,538,486	17,695,076	497,348,333	42,233,562	-	42,233,562	455,114,771	383,765,917	383,765,917	-
Previous Year	355,452,525	52,851,878	16,356,829	8,181,656	408,304,403	24,538,485	-	24,538,485	383,765,918	339,095,696	339,095,696	-

TELECANOR GLOBAL LIMITED
Schedules to Balance Sheet

Particulars		As at 31-03-2011 Rs		As at 31-03-2010 Rs
Current Assets, Loans & Advances				
<u>Schedule 5 :</u>				
Sundry debtors				
Exceeding 6 months				
Unsecured and considered good	6,757,262		2,384,739	
Others				
Unsecured and considered good	59,240,826	65,998,088	28,969,561	31,354,300
Total		65,998,088		31,354,300
<u>Schedule 6 :</u>				
Cash in Hand	611,961		882,817	
Balances with scheduled banks in Current A/c				
In Current A/c	23,027		7,930,508	
In Deposit A/c		634,988	3,608,519	12,421,844
Total		634,988		12,421,844
<u>Schedule 7 :</u>				
Advances recoverable in cash or in kind or for Value to be received	133,622			3,599,281
Deposits (Rental & Other Deposits)	2,196,180			501,436
Advances for Construction Project Lands	4,446,423			4,446,423
Proposed SEZ- Project Land Advances	8,978,800	15,755,025		8,128,800
Total		15,755,025		16,675,940
<u>Schedule 8 :</u>				
Current Liabilities				
Sundry creditors		5,632,453		4,928,524
Outstanding Liabilities		3,635,782		1,251,328
Amounts due to Directors		515,926		3,760,506
Provisions		16,259,660		10,768,409
Total		26,043,821		20,708,767
Schedules to Profit & Loss Account				
<u>Schedule 9:</u>				
Income From Operations				
Income from IT Operations		150,294,818		79,485,667
Income from Aqua		477,500		349,070
Other Income		-		571,475
Interest on share money allotment money Due		-		18,370
Interest on F.D's		7,485		0
Discount Received		44,117		0
Other incomes		4,000		0
Total		150,827,920		80,424,582

TELECANOR GLOBAL LIMITED
Schedules to Profit & Loss Account

Particulars		As at 31-03-2011 Rs		As at 31-03-2010 Rs
Schedule 10 :				
Materials Cost		20,545,685		3,150,383
Total		20,545,685		3,150,383
Schedule 11:				
Staff Costs				
Salaries	7,125,106		8,070,913	
Salaries to Contract Wokers	157,683			
Staff Welfare	150,906	7,433,695	87,656	8,158,569
Total		7,433,695		8,158,569
Schedule 12 :				
Operating, Administrative & Other Expenses				
Rents, Electricity and Maintenance	6,341,808		6,673,245	
Travel & Conveyance	624,655		2,288,071	
Communication Expenses	6,563,711		1,699,024	
Computer, Servers and Infra Usage Charges	21,272,155		6,796,086	
Legal & Professional Charges	3,163,086		796,028	
Audit Fees	405,000		250,000	
Other expenses	698,876		1,181,092	
Office and Site Locations Maintenance	5,130,398		9,048,637	
Directors Remuneration	3,000,000	47,199,689	3,000,000	31,732,183
Total		47,199,689		31,732,183
Schedule 13:				
Finance Charges				
Interest on OD	689,894			
Interest on Term Loan	2,048,875			
Bank OD Processing Fee	536,249			
Bank Charges	54,886	3,329,904	29,449	29,449
Total		3,329,904		29,449

NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH 2011

A. SIGNIFICANT ACCOUNTING POLICIES:

- Method of Accounting
 - The financial statements are prepared on a going concern basis with historical costs in accordance with the accounting standards prescribed in Sec 211 (3C) of the Companies Act, 1956.
 - The financial statements are prepared following the accrual method of accounting excepting incomes with significant uncertainties.
- Income Recognition
 - In respect of income from IT operations, on the basis of stage of contractual entitlements.
 - In respect of aqua culture operations, at the point of sale.
 - In respect of construction operations, cost of land comprises land acquired on outright sale, as agreement holder, or as holder of development right at acquisition cost.
- Fixed Assets
The fixed assets are accounted at acquisition cost, which includes costs incidental to such acquisition and revenue costs, if any, incurred during the construction period. The fixed assets are depreciated at straight line rates prescribed in Schedule XIV of the Companies Act, 1956 excepting proprietary software and GIS-GPS being depreciated at 20% over 5 years on prorata basis.
- Inventories
Inventories are valued at cost or net realizable value which ever is lower.
- Gratuity
The provision for gratuity liability is not made as it is not applicable. As the terms of employment of Managing Director is of contractual nature and does not provide for payment of gratuity, no provision has been made.
- Taxes on income
Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Provisions for Deferred taxes is made in accordance with Accounting standard 22 of the Institute of Chartered Accountants of India for the timing difference between tax on profit under Income Tax Act and the Companies Act.
- Accounting for Foreign Exchange Transactions: Transactions in foreign exchange currencies are recorded at the rate ruling on date of the transaction. Monetary items of assets and liabilities are translated on reporting date. Exchange differences are recognized, if any material, in the profit and loss account for the period. However there are no such items to be recognized.
- Contingencies and Events occurring after the Balance Sheet date:
 - Estimated amount of contracts remaining to be executed for capital account and not provided for is Rs.42,50,000/- (Previous Year Rs. 82,25,450/-)
 - The company at its EGM dated 25th June 2010, pursuant to allotment of Equity Shares to ShareWarrant Holders, has resolved to forfeit the balance of share warrant amounts of Rs.98,04,555/- received for non receipt of consent for allotment/or incomplete amount from the applicants. However the company has not yet forfeited these amounts. We are informed that the Company is in the process of taking necessary steps in this regard.
 - The company was sanctioned a Term Loan of Rs.329,00,000/- and a working capital limit of Rs.100,00,000/- by Dhanalaxmi Bank Ltd in the year 2010 against the security of Plant & Machinery as proposed and Book Debts as Primary Security and Company's land of 26.8 acres as Equitable Mortgage towards collateral security and 700,000/- Equity Shares of the company belonging to the promoter group. M/S Dhanalaxmi Bank Limited has enhanced the working capital limit from Rs. 1,00,00,000/- to Rs. 3,00,00,000/- and Term Loan remained at Rs. 3,29,00,000/- in the month of May, 2011 against hypothecation of Book Debts and Plant and Machinery as Primary Security and Collateral Security of additional 5 acres of company's land in addition to the existing 26.80 acres of company's land at Mrippalem Village, Visakhapatnam District and pledge of 7,00,000 Equity Shares of the Company belonging to the Promoter Group.

9. Borrowing Costs :

l) Borrowing Costs for the Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

10. Impairment of Assets:

At each balance sheet date, the company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessment of time value of money and the risks specific to the asset.

11. Earnings Per Share

The earnings considered in ascertaining the Company's 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 basic EPS is the weighted average number of shares outstanding during the year.

B. Notes on Accounts:

1.Particulars of employees in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956 read with Companies(Particulars of Employees) Rules, 1975, the details are given in the Directors Report.

2.AS-15 Employee Benefits Based on the past experience and the position as on the Balance Sheet date, no provision is made for the retirement benefits as none of the present employees are entitled for the same.

3 AS-22 Deferred Taxes Provision for Deferred Taxes is made in accordance with Accounting Standard 22 of the Institute of Chartered Accountants of India. The deferred tax liability as on the balance sheet date is computed as under:

Opening Balance as on 01.04.2010	Rs. 87,96,170
Add: Deferred Tax Liability for the year	Rs. 82,31,818
Less: Excess Provision of earlier year written back	Rs. 15,35,854
Deferred Tax Liability as on 31.03.2011	Rs. 1,54,92,134

4. Related Party Disclosures

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

Name	Opening Balance	Remuneration	Current Account	Amount Closing Paid/TDS Deduction
P.Maruti Ram	859,956	3,000,000	3,407,580	452,376
P.Vijaylakshmi	2,900,550	0	2,837,000	63,550

5. Micro, Small Scale Business Entities

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

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

SEGEMENTAL RESULTS	31.03.2011 Rs.Lakhs	31.03.2010 Rs.Lakhs
1. Segment Revenue		
a. I T Operations & Other operations	1502.95	794.86
b. Construction	0.00	0.00
c. Aqua Operations	4.78	3.49
Net Sales	1507.72	798.35
2. Segment Results Profit/(Loss) before Interest and Tax		
a. I T Operations	557.98	302.56
b. Constructions & c. Aqua Operations	0.00	0.00
Total	2.09	1.24
	560.07	303.80
3. Capital Employed		
a. I T Operations	1014.25	973.14
b. Constructions & c. Aqua/SEZ Operations	43.45	43.45
	262.17	335.52

C. MISCELLANEOUS:

	31.03.2011 Rs.	31.03.2010 Rs.
a) Particulars of Purchases, Sales & Stocks		
Sale: IT Operation	150294818	79485667
Sale: Aquaculture	477500	349070
Cost of Aquaculture	272000	224343
b) Quantitative particulars of Materials Consumption		
Aqua Feed and chemicals (Kgs)	3768 Kgs	4019Kgs
	& 76359 pcs	& 84121pcs
IT Operations	61 Servers	29 PCS
Consumables IT operations	Not quantifiable	Not Quantifiable
c) Capacity & Production:		
The installed capacity of aqua ponds is regulated by the MPED Authority based on their norms and is indeterminate at the present point of time. The capacity of the processing plant is not mentioned since the same is not commissioned.		
d) Auditors Remuneration comprises Statutory Audit Fee of Rs.2,75,000 (Pr. Yr. 2,00,000), Tax Audit Fees Rs. 25,000 (Pr. Yr. Rs.25,000) Limited Review Charges of Rs.70,000/- (Pr. Yr. Nil) and Certification Charges of Rs.35,000 (Pr.Yr. Nil) for the year 2010-11.		
e) Balances of Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliation. Any difference will be adjusted as and when they come to the notice of the company.		
f) Previous year's figures have been regrouped and reclassified wherever necessary and all figures have been rounded of the nearest rupee.		

Per our report of even date
For B.Chakrapani & Co.,
Chartered Accountants,
Firm Regn No. 006695S

for and on behalf of the Board

B. Chakrapani,
Partner.
Membership No. 023598
Place: Hyderabad
Date: 30/05/2011.

P.Maruti Ram
Managing Director

D. Seenu Reddy
Director

BALANCE SHEET ABSTRACT AND COMPANYS GENERAL BUSINESS PROFILE

I Registration Details: Registration Number 12974
State Code: 1
Balance Sheet Date: 31.03.2011

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

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

Total Liabilities:	Total Assets:	
Sources of Funds:-		
Paid-up Capital:	98092570	Reserves & Surplus 358424359
Secured Loans	39449988	Unsecured Loans 0
Defferred Tax Liability	15492134	
Application of Funds:-		
Net Fixed Assets:	455114771	Investments: 0
Net Current Assets:	56344280	Misc. Expenditure: 0

IV Performance of the Company (Amount in Rs.)

Turnover:	150827920	Total Expenditure:	96204049
Profit before Tax:	54623871	(Profit) after Tax:	39303864
Earnings per share:	4.41	Dividend:	0

V Generic Name of Three Principle products/services of the Company:
Item Code (ITC Code)
Product Description
IT Enabled Services
Maruti Ram Praturi
Managing Director
30.05.2011

TELECANOR GLOBAL LIMITED

Registered Office : Imarat Park, 2nd Floor, above Talwar Hyundai Showroom,
Road No. 2, Opposite to KBR Park, Banjara Hills, Hyderabad 500 034
Telephone: +91(40)23551657 / 8, www.telecanor.com Email: ram@telecanor.com

**ATTENDANCE SLIP
20th 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 20th Annual General Meeting of M/s. TeleCanor Global Limited., held on Friday the 30th Day of September 2011 at 10.30 A.M at Registered Office of the Company.

Signature of the shareholder/proxy Authorized Representative

*Strike out whichever is not applicable.

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Telephone: +91(40)23551657 / 8, www.telecanor.com Email: ram@telecanor.com

**PROXY FORM
20th ANNUAL GENERAL MEETING**

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

I/We, resident of.....being member(s) of
TeleCanor Global Limited, hereby appoint Sri/Smtresident of
..... as my/our proxy to vote for me / us and on my / our behalf at the 20th Annual General Meeting
of the Company, to be held on Friday the 30th Day of September 2011 at 10.30 A.M at the Registered office of the Company, or
at any adjournment thereof.

Signature of the Shareholder.....

Revenue
Stamp
Re.1

