

The background features several overlapping circles in various shades of blue. Three thin, light blue lines intersect the composition diagonally. The text is arranged in a clean, professional layout.

19th Annual Report

2009-10

Telecom VAS

IVR

**TeleCanor Global
Limited**

mCommerce

Contents

Page Nos.

Notice of the Annual General Meeting

Directors' Report

Corporate Governance Report

Management Discussion and Analysis

Auditors' Report

Balance Sheet

Profit and Loss Account

Schedules – Balance Sheet

Schedules – Profit & Loss Account

Cash Flow Statement

Notes to Accounts



CEO's MESSAGE

Dear Shareholders,

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

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

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

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

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

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

CORPORATE INFORMATION

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

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

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

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

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

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

Notice of 19th Annual General Meeting

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

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

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

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 14-08-2010

Notes:

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

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

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

DIRECTORS' REPORT

To,
The Members
TELECANOR GLOBAL LIMITED

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

FINANCIAL RESULTS

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

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

OPERATIONS:

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

CURRENT YEAR AND FUTURE PLANS:

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

DIVIDEND :

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

DIRECTORS:

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

CORPORATE GOVERNANCE:

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

CEO'S DECLARATION:

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

LISTING AT STOCK EXCHANGE:

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

AUDITORS:

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

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

FIXED DEPOSITS

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

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

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

- 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: During the year a Foreign Exchange of \$ 15,781 equivalent Rs. 7,29,490 has been received

PARTICULARS OF EMPLOYEES:

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- 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

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

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Maruti Ram Praturi
Managing Director

Place: Hyderabad
Date: 14-08-2010