

## NOTICE

The **EIGHTEENTH ANNUAL GENERAL MEETING** of TRICOM INDIA LIMITED WILL BE held on Thursday, the 30<sup>th</sup> day of September, 2010 at 11.00 AM at Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, MUMBAI-400012 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31<sup>st</sup> March, 2010, the Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity shares of the Company
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, M/s. J. L. Bhatt & Co., Chartered Accountants, be and is hereby appointed as the Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

### SPECIAL BUSINESS

5. To appoint Mr. Rasik Chaturvedi as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof. Mr. Rasik Chaturvedi, who was appointed as an Additional Director Pursuant to the provision of Section 260 of the Companies Act, 1956, and Article 126 of the Articles of Association of the Company, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

6. To appoint Mr. Gaurav Bhatia as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Gaurav Bhatia, in respect of whom the Company has received a notice in writing from a shareholder proposing him as a candidate for the office of the Director under the provisions of Section 257 of the Companies Act, 1956, along with a deposit of Rs.500 and who is eligible for appointment be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by rotation.

7. To appoint Mr. Chetan Kothari as Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 and other applicable provisions, if any of the Companies Act, 1956 (the Act) as amended or re-enacted from time to time read with Schedule XIII of the Act, the Company do hereby approves the appointment and terms of remuneration of Mr. Chetan Kothari Managing Director of the Company for a period from 4<sup>th</sup> December, 2009 to 3<sup>rd</sup> December, 2012 upon terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year with liberty and powers to the Board of Directors to alter and vary terms and conditions of this appointment in such manner as may be agreed to between the Board of Directors and Mr. Chetan Kothari.

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution”

### 8. TIL EMPLOYEE STOCK OPTION PLAN 2010.

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

“RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the “SEBI Guidelines”) (Including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, for the time being in force), in accordance with the provisions contained in the Articles of Association, and subject to such other approvals, permission and sanctions as may be necessary, the draft “ TIL Employee Stock Option Plan 2010 ” placed before this meeting duly initialed by the Chairman for identification be and is hereby approved.

**RESOLVED FURTHER THAT**, the consent of the shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which the term shall be deemed to include any committee of the Board, including Compensation Committee constituted by the Board) to earmark 2920022 Equity Shares of the Company as stock options for the employees of the Company to be issued under the said TIL Employees Stock Option Plan 2010 at the exercise price to be determined by the Board or any committee of the Board in accordance to the applicable statutory guidelines, regulations and law in this regard, from time to time.

**RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 the consent and approval of the members be and is hereby accorded to the Board of Directors to create, offer, issue and allot equity shares of the Company to eligible employees as defined under the aforesaid TIL Employee Stock Option Plan 2010.

**RESOLVED FURTHER THAT**, the Board, be and is hereby authorized to take necessary steps for listing of the shares allotted under the TIL Employees Stock Option Plan 2010, on the Stock Exchange(s) where the Company’s shares are listed, as per the terms and conditions of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board of Directors and/or the committee be and are hereby authorized to adopt and implement the TIL Employee Stock Option Plan 2010. subject to such terms and conditions as may be decided and imposed from time to time and to take such steps as may be necessary to give effect to this resolution.”

### 9. TIL EMPLOYEE STOCK OPTION PLAN 2010 for subsidiary company employees participation:

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

“RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956. Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the “SEBI Guidelines”) (Including any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, for the time being in force), in accordance with the provisions contained in the Articles of Association, and subject to such other

approvals, permission and sanctions as may be necessary, the draft " TIL Employee Stock Option Plan 2010. " placed before this meeting duly initialed by the Chairman for identification be and is hereby approved.

**RESOLVED FURTHER THAT,** the consent of the shareholders be and is accorded to the Board of Directors (hereinafter referred to as the "Board" which the term shall be deemed to include any committee of the Board, including Compensation Committee constituted by the Board) to allow the employees of the subsidiary company to participate in the TIL Employee Stock Option Plan 2010 consisting of 2920022 Equity Shares of the Company to be issued as stock options, at the exercise price to be determined by the Board or any committee of the Board in accordance with the applicable statutory guidelines, regulations and law in this regard, from time to time.

**RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 the consent and approval of the members be and is hereby accorded to the Board of Directors to create, offer, issue and allot equity shares of the Company to eligible employees as defined under the aforesaid TIL Employee Stock Option Plan 2010.

**RESOLVED FURTHER THAT,** be and is hereby authorized to take necessary steps for listing of the shares allotted under the TIL Employees Stock Option Plan 2010, on the Stock Exchange(s) where the Company's shares are listed, as per the terms and conditions of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Board of Directors and/or the committee be and are hereby authorized to adopt and implement the TIL Employee Stock Option Plan 2010, subject to such terms and conditions as may be decided and imposed from time to time and to take such steps as may be necessary to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to Sections 81, 81(1A) and other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and/or any other competent authorities and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, the guidelines, rules, regulations issued by the GOI, RBI, SEBI and/or any other competent authorities and clarifications thereon, issued from time to time, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company, (which term shall include any Committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, whether within India or outside India, with or without premium, whether rupee denominated or denominated in any foreign currency, such number of equity/preference shares (Cumulative or Non-Cumulative, Redeemable or Non-Redeemable)

and/or Foreign Currency Convertible Bonds (FCCBs) and/or Fully/Partially Convertible Bonds/Loans or non convertible debentures/Bonds and/or Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/or Qualified Institutional Placements (QIPs) and/or any other equity and/or preference or equity related instrument/security and/or any other instruments/securities in the nature of Shares/Bonds and/or warrants, convertible into equity shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to equity shares and/or securities with or without detachable/non-detachable warrants with a right exercisable by the warrant-holder to subscribe for the equity shares and/or warrants with an option exercisable by the warrant-holder to subscribe for equity shares, and/or any instrument or securities representing either equity shares and/or convertible securities linked to equity shares, naked or otherwise, convertible into shares or otherwise, either in registered or bearer forms, (hereinafter referred to as "Securities") or any combination of the Securities in the International/Domestic market, upto Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores only) to Indian or foreign investors (whether institutions, incorporated bodies, mutual funds and / or individuals, or otherwise and whether or not such investors are members of the Company), members, employees, non-resident Indians, Foreign institutional Investors (FIIs), Qualified Institutional Buyers (QIBs), Companies, Mutual Funds, Banks, Indian/Foreign Financial Institutions, other entity(ies) and such other persons through public issue(s), private placement(s), preferential allotment, rights issue, qualified institutional placements, exchange of securities, issue of shares under ESOP Plan, Conversion of loan or otherwise in the course of offerings in Indian and/ or International Market or in any other manner or a combination thereof at such time or times, at such price or prices, at a discount or at par to or at a premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, Dividend etc. as may be decided and deemed appropriate by the Board at the time of such issue, offer or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the lead managers, and/or underwriters and /or other advisors to the extent and in the manner as may be decided by the Board in this behalf.

**RESOLVED FURTHER THAT** in the event of issue of Securities by way of Global Depository Receipts and/or American Depository Receipts, the 'Relevant Date' on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting at which the Board or the Committee of Directors duly authorised by the Board decided to open the proposed issue of Securities;

**RESOLVED FURTHER THAT** in the event of issue of Securities by way of a Qualified Institutional Placement:

- i. the 'Relevant Date' on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decided to open the proposed issue of Securities;
- ii. the allotment of Securities shall be completed within 12 months from the date of this resolution approving the proposed issue or such other time as may be allowed by the SEBI Guidelines from time to time; and the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange in India or except as may be permitted from time to time by the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009;

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the Securities may have all or any term or combination of terms in accordance with prevalent market practice including but not limited to terms and conditions relating to payment of interest, dividend, premium or redemption at the option of the Company and/or holders of any securities, including terms for issue/offer of additional equity shares or variations of the price or period of conversion of securities into equity shares or issue/offer of equity shares during the period of the securities or terms pertaining to voting rights or option(s) for early redemption of securities and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets. For the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s)/offer(s), including the class of investors, to whom the securities are to be allotted, number of securities to be allotted in each tranche, issue/offer price, face value, premium amount on issue/conversion of securities/exercise of warrants/redemption of securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or overseas as the Board in its absolute discretion deems fit and to make and accept any modification in the proposal as may be required by the authorities involved in such issues/offers in India and/or overseas, to do all acts, deeds, matters and things as may be necessary and to settle any questions or difficulties that may arise in regard to the issue(s)/offer(s) and the Board is hereby authorized in its absolute discretion in such a manner as it may deem fit, to dispose of such of the Securities as are not subscribed.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorised to make appointments as may be required of Managers (including Lead Managers), Merchant Bankers, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Principal Paying/Transfer/Conversion Agents, Listing Agents, Registrars, Trustees and all other agencies, whether in India or overseas and to enter into and execute all such arrangement(s)/agreements(s) with any such Managers (including Lead Managers)/Merchant Bankers/Underwriters/Guarantors/Depositories/Custodians/Legal Advisors/Principal Paying/ Transfer/ Conversion Agents, Listing Agents, Registrars, Trustees and all such agents or body as may be involved or concerned in such offering of Securities and to remunerate all such agents including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue/offer of securities and other expenses, if any.

**RESOLVED FURTHER THAT** the preliminary as well as the Final Offer Document for the aforesaid issue/offer be finalized, approved and signed by the Directors of the Board for and on behalf of the Company with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, undertakings, certificates, consents, authorities as may be necessary and required from time to time.

**RESOLVED FURTHER THAT** the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of the Securities or exercise of options as may be necessary in accordance with the terms of the offer aforesaid, subject to the provisions of the Company's Articles of Association and all such shares shall rank pari passu with the existing equity shares of the Company in all respects, in accordance with the law applicable at the time of such issue, offer or allotment as the case may be.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in the issue and allotment of the Securities and/or fresh shares, to effect any modification to the foregoing in the best interest of the Company and its shareholders and to execute all such writings and instrument as the Board may in its absolute discretion deem necessary or desirable.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors or Managing Director or Executive Director or any Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution."

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

**RESOLVED THAT** in accordance with the provisions of section 81 ,81(1A) and all other applicable provisions, if any, the Companies Act,1956 ,including any statutory modification(s) or re-enactment thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the relevant guidelines of the Securities and Exchange Board of India( Issue of Capital and Disclosure Requirements)Regulations,2009 ('ICDR Regulations,2009') ,Listing Agreement entered into with the Stock Exchanges and any other applicable law/rules/regulations and subject to the consent/approval of any other authorities/institutions, and subject to such conditions and modifications as may be imposed upon and accepted by the Board of Directors ('Board') , the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, offer and allot for consideration other than cash up to 6,39,300 (six lacs thirty nine thousand three hundred ) Equity Shares of face value of Rs.2/- each , on preferential basis to the following shareholders of 'Mastiff Tech Private Limited' at a price of Rs.20/- per share (including premium of Rs.18/- per share) aggregating to Rs.1,27,86,000/-( Rupees one crore twenty seven lacs eighty six thousand only) being the consideration agreed as per the Share Purchase Agreement entered by the Company on 13<sup>th</sup> August,2010 ,or at such price to be determined in accordance with the ICDR Regulations,2009 as in force on the date of this notice, whichever is higher;

Sl.No.	Name of proposed allottee	No. of Shares of Company proposed to be allotted
01.	Ajay Pandey	237244
02.	Tushar Vohra	237244
03.	Himanshu Tiwari	63930
04.	Sudhanshu Tiwari	63930
05.	Manoj Samuel	36952
	Total	639300

**RESOLVED FURTHER THAT** in case the price as per ICDR Regulations, 2009 is higher than Rs.20/- per share, the number of Equity Shares to be allotted should be decreased to the extent that product of price per share determined as per ICDR Regulations, 2009 with the number of shares to be issued and allotted is equal to Rs.1, 27, 86,000/-(Rupees one crore twenty seven lacs eighty six thousand only).

**RESOLVED FURTHER THAT** the Equity Shares shall rank pari-passu in all respect with the existing Equity Shares of the Company, including entitlement to Dividend;

**RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued;

**RESOLVED FURTHER THAT** the Board/ any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient ;

**RESOLVED FURTHER THAT** the 'relevant date' for the preferential issue in relation to the aforesaid Equity shares, for the purposes of determining the issue price under the ICDR Regulations, 2009 is 31<sup>st</sup> August, 2010.

**RESOLVED FURTHER THAT** for the purposes of giving effect to the above the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds ,matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, sign all documents and undertakings, as may be required and generally do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED LASTLY THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any officer or Officers of the Company to give effect to this resolution.

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

**RESOLVED THAT** in accordance with the provisions of section 81 ,81(1A) and all other applicable provisions, if any, the Companies Act,1956 ,including any statutory modification(s)or re-enactment thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the relevant guidelines of the Securities and Exchange Board of India( Issue of Capital and Disclosure Requirements)Regulations,2009 ('ICDR Regulations,2009') ,Listing Agreement entered into with the Stock Exchanges and any other applicable law/rules/regulations and subject to the consent/approval of any other authorities/institutions, and subject to such conditions and modifications as may be imposed upon and accepted by the Board of Directors ('Board'), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, offer and allot for consideration other than cash up to 6,10,700 (six lacs ten thousand seven hundred ) Equity Shares of face value of Rs.2/- each, on preferential basis to the following shareholders of 'Mastiff Internet Media Solutions Private Limited' at a price of Rs.20/- per share (including premium of Rs.18/- per share) aggregating to Rs.1,22,14,000/-(Rupees one crore twenty two lacs fourteen thousand) being the consideration agreed as per the Share Purchase Agreement entered by the Company on 13<sup>th</sup> August ,2010 ,or at such price to be determined in accordance with the ICDR Regulations,2009 as in force on the date of this notice, whichever is higher;

Sl. No.	Name of proposed allottee	No .of Shares of Company proposed to be allotted
01	Ajay Pandey	305350
02	Tushar Vohra	305350
	Total	610700

**RESOLVED FURTHER THAT** in case the price as per ICDR Regulations, 2009 is higher than Rs.20/- per share, the number of Equity Shares to be allotted should be decreased to the extent that product of price per share determined as per ICDR Regulations, 2009 with the number of shares to be issued and allotted is equal to Rs.1, 22, 14,000/-(Rupees one crore twenty two lacs fourteen thousand).

**RESOLVED FURTHER THAT** the Equity Shares shall rank pari-passu in all respect with the existing Equity Shares of the Company, including entitlement to Dividend;

**RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued;

**RESOLVED FURTHER THAT** the Board/ any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient ;

**RESOLVED FURTHER THAT** the 'relevant date' for the preferential issue in relation to the aforesaid Equity shares, for the purposes of determining the issue price under the ICDR Regulations, 2009 is 31<sup>st</sup> August, 2010.

**RESOLVED FURTHER THAT** for the purposes of giving effect to the above the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds ,matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, sign all documents and undertakings, as may be required and generally do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED LASTLY THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any officer or Officers of the Company to give effect to this resolution.

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

**RESOLVED THAT** in accordance with the provisions of section 81 ,81(1A) and all other applicable provisions, if any, the Companies Act,1956 ,including any statutory modification(s) or re-enactment thereof, for the time being in force, the provisions of the Memorandum and Articles of Association of the Company, the relevant guidelines of the Securities and Exchange Board of India( Issue of Capital and Disclosure Requirements)Regulations,2009 ('ICDR Regulations,2009') ,Listing Agreement entered into with the Stock Exchanges and any other applicable law/rules/regulations and subject to the consent/approval of any other authorities/institutions, and subject to such

conditions and modifications as may be imposed upon and accepted by the Board of Directors('Board') , the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create, offer and allot up to 1,00,00,000 (One Crore) Fully Convertible Debenture(FCD) of face value of Rs.20/-, each FCD convertible into 1(one)Equity Shares of Rs.2/-(Rupees Two) each at a price of Rs.20/-which includes a premium of Rs. 18/-per share, calculated in accordance with ICDR Regulations for preferential issue, to the following:

Sl. No	Name of Proposed Allottee	No. of FCDs proposed to be allotted
1.	Jaykal Exports Pvt. Limited	125000
2.	Alka Chetan Shah	50000
3.	Atul Amritlal Gudka	50000
4.	Kantarani Jamnalal Gulati Rajkumar Jamnalal Gulati	200000
5.	Purnima Bothra Bhupendra Kumar Bothra-HUF	50000
6.	Vijay Kumar Bhatia	1000000
7.	Usha Bhatia	500000
8.	Gaurav Bhatia	555000
9.	Roopam Bhatia	125000
10.	Sareeta Bhatia	150000
11.	Payal Bhatia	125000
12.	Ekta Bhatia	125000
13.	Paras Bhatia	50000
14.	Parikshit Bhatia	50000
15.	Sanjay Bhatia	125000
16.	Manju Bhatia	125000
17.	Neha Bhatia	125000
18.	Devkiran Marketing Pvt. Ltd.	2500000
19.	Siddhivinayak Markin Pvt. Ltd.	1820000
20.	Sumeet Balkishan Gupta	625000
21.	Balkishan Premnath Gupta	625000
22.	Hariom Tulsyan Bimla Tulsyan	100000
23.	Rajkumar Jamnalal Gulati-HUF	25000
24.	Akansha Rajkumar Gulati Rajkumar J Gulati	25000
25.	Rajkumar Jamnalal Gulati Mini R Gulati	50000

26.	Mini R Gulati Rajkumar J Gulati	50000
27.	Hemant J Gulati Mini R Gulati	125000
28.	Nakul Rajkumar Gulati Rajkumar J Gulati	25000
29.	Anil Ahuja Sanjay Ahuja	500000
	Total	10000000

**RESOLVED FURTHER THAT** the issue of FCD, if any, as above shall be subject to the following terms and conditions:

- FCD shall be convertible at any time within a period of 18 (eighteen) months from the date of allotment of FCD at the option of the Company
- Each FCD shall be convertible into 1(one) Equity Share of Rs.2/- each fully paid at a price of Rs.20/- per share, which includes a premium of Rs.18/- per share, calculated in accordance with ICDR Regulations,2009.
- FCD shall carry a simple rate of interest of 15 % per annum payable quarterly till the date of conversion.

**RESOLVED FURTHER THAT** to the extent permitted as per the existing provisions of law in this regard all Equity Shares to be allotted on conversion of FCD as an allotment of the above preferential allotment shall rank pari passu in all respect with the existing Equity Shares of the Company ,including entitlement to Dividend;

**RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorized to issue and allot such number FCD's and Equity Shares on conversion thereof, as may be required to be issued;

**RESOLVED FURTHER THAT** the Board/ any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the FCD and equity shares on conversion thereof ,including reduction of the size of the issue, as it may deem expedient;

**RESOLVED FURTHER THAT** the 'relevant date' for the preferential issue in relation to the aforesaid FCD and also for issue of Equity Shares on conversion of FCD , for the purposes of determining the issue price under the ICDR Regulations, 2009 is 31<sup>st</sup> August, 2010.

**RESOLVED FURTHER THAT** for the purposes of giving effect to the above the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds ,matters and things as it may, in its absolute discretion, deem necessary, desirable and expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, sign all documents and undertakings, as may be required and generally do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

**RESOLVED LASTLY THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any officer or Officers of the Company to give effect to this resolution.

BY ORDER OF THE BOARD OF DIRECTORS

**Place: Mumbai**  
**Date: 25<sup>th</sup> August, 2010**

**B.L.BOOLANI**  
**CHAIRMAN**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A proxy, in order to be effective, should be deposited at the registered office of the company, duly completed, not less than forty eight hours before the commencement of the meeting.
2. As per Section 256 of the Companies Act, 1956 read with the provisions of Article 138 of the Articles of Association of the Company. Mr. Hiren Kothari. Mr. Jayant Tanksale and Mr. Baldev Boolani, Directors retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointment.
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item no's- 5 to 13 are annexed hereto. The relevant details of directors seeking appointment/ re-appointment under item nos. 3, 5, 6 & 7 above, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges are also annexed.
4. The Register of Members and the Share Transfer Books of the Company will be closed from 23<sup>rd</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).
5. Dividend, if declared, at the Annual General Meeting, will be payable to those members whose names appear on the Company's Register of Members as on 30<sup>th</sup> September, 2010.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participant with whom they are maintaining their demat account. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ registrar & transfer Agent, M/s. Sharex Dynamic (India) Pvt. Ltd. Having their office premises at Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai-400 072.
7. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investors Education and Protection Fund (Fund) set up by the Central Government. Members who have so far not claimed the dividend are requested to make claims with the Company immediately as no claim shall lie against the Fund or the Company in respect of individual amounts once credited to the said Fund.
8. Shareholders desiring any information as regards the Accounts at the Annual General Meeting are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
9. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is attached to the proxy form. Members are requested to affix their signature at the place provided on the attendance slip and hand over the same at the entrance of the venue. Members are requested to bring their copies of the Annual Report and attendance slip to the meeting.

**Disclosure pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting**

Item No. of Notice	Name of the Director	Brief Resume	Listing of other Directorships/ Committee Memberships in other Companies
3.	Mr.Hiren Kothari	He is 50 years of age. He is a Commerce Graduate and is a fellow Member of the Institute of Chartered Accountants of India. He has 23 years experience in the fields of investments, advisory services and financial analysis in addition to experience in the areas Finance and Management.	Directorships In : Trio Mercantile & Trading Limited. Raval Finance Limited.
3.	Mr.Jayant Tanksale	He is a post graduate in Physics and is a Diploma holder in Computer Management from Bombay University. He has an experience of over 26 years in the IT Industry and has worked on various National and International assignments. His areas of operations are software development, Operation and facility management and performance monitoring of computer system.	Directorships In : Trio Mercantile & Trading Limited. Tricom Infotech Solutions Ltd.
3.	Mr.Baldev Boolani	Has over 53 years of experience in manufacture of plastic processing machine. Has vast expertise in the area of education, finance and banking. He has been the President of All India Plastic Manufactures Association, President of Indian Chambers of Society of Plastic Engineers Inc. USA and has represented India in international seminars.	Directorships In : Canara Polypack Ltd. Boolani Investments Ltd. SP Capital Financing Ltd.
5.	Mr.Rasik Chaturvedi	He is a Practicing Chartered Accountant by profession, Mr. Rasik Chaturvedi has an experience of 28 years in his field.	NIL.

6.	Mr. Gaurav Bhatia	He is a Commerce Graduate with more than 17 years of experience on the Steel and Tin Plate Products . His core area of expertise is Purchase & Marketing and he has been responsible for spearheading the growth of the rigid packaging industry in India.	NIL
7.	Mr.Chetan Khotari	He is a Chartered Accountant and has practiced for over 14 years in the fields of corporate advisory, management audit, finance and taxation areas. He has over 15 years of experience in managing the entire operations of the Company, handling the strategy and planning for the growth of the organization.	Directorships In : Trio Mercantile & Trading Ltd. Tricom Fruit Products Limited Tricom Infotech Solutions Limited.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The following explanatory Statement set out all material facts relating to the Special business mentioned in the accompanying notice:

#### **ITEM NO. 5.**

Mr. Rasik Chaturvedi was appointed as Additional Director of the Company with effect from 30<sup>th</sup> January, 2010. According to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. A notice has been received from a member signifying his intention to propose the appointment of Mr. Rasik Chaturvedi as Director at the forthcoming Annual General Meeting, Hence necessary resolution is placed before the meeting for member's approval.

Mr. Rasik Chaturvedi is deemed to be interested in the proposed resolution to the extent of his appointment as a Director. Save and except Mr. Rasik Chaturvedi, none of other Directors are concerned or interested in the Resolution.

The Board commends the resolution as set at item no. 5 of the notice for your approval.

#### **ITEM NO.6**

Company has received a notice under section 257 of the Companies Act, 1956 from one of the shareholder proposing Mr. Gaurav Bhatia as a candidate for the office of the Director of the Company.

None of the Director except Mr. Vijay Bhatia are concerned or interested in the Resolution.

The Board commends the resolution as set at item no. 6 of the notice for your approval

#### **ITEM NO.7.**

The Board of Directors at their Meeting held on 30<sup>th</sup> January 2010 and pursuant to the recommendations of the Remuneration Committee of the Board appointed Mr. Chetan S. Kothari as Managing Director for a period of 3 years with effect from 4<sup>th</sup> December, 2009 to 3<sup>rd</sup> December, 2012.

The remuneration and perquisites payable to Mr. Chetan S. Kothari are in conformity with the requirements of Schedule XIII to the Companies Act, 1956.

The broad particulars of terms of appointment of and remuneration payable to Mr. Chetan S. Kothari referred to in Item No. 7 of the Notice are as under:

- Salary: Salary including Dearness, house-rent and all other allowances is upto Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month, with an annual increment of upto Rs. 75,000/- (Rupees Seventy Five Thousand only) per month.
- Perquisites: Perquisites shall be restricted to an amount equal to the annual salary.

- The Salary and perquisites as mentioned under (a) and (b) above shall be exclusive of:

Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent they are not taxable under the Income Tax Act, 1961. and are as per the rules of the Company.

Gratuity as per the rules of the Company.

Leave as per the rules of the Company including encashment of leave at the end of the tenure.

- Apart from above mentioned remuneration, he shall be entitled to:

- Medical Expenses actually and properly incurred for him and his family upto Rs. 15000/- per calendar year.
- Entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.
- Club Membership fees subject to a maximum of two clubs. No admission and life membership fees shall be paid.
- Personal Accident Insurance Policy.
- Provision for use of car and telephone for both official and personal use.
- Group Insurance Policy as per the rules of the Company.

In the event of loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. Chetan S. Kothari shall be the minimum remuneration payable to him in terms of the provision of Schedule XIII to the Companies Act, 1956.

The aforesaid terms and conditions have been approved by the Remuneration Committee of the Company at their meeting held on 29<sup>th</sup> January, 2009.

Mr. Chetan S Kothari satisfies all the conditions set out in Part-I of Schedule XIII of the Act for being eligible for the appointment.

Mr. Chetan S. Kothari, Managing Director and Mr. Hiren Kothari, Director being related to each other are to be considered as interested in the aforesaid resolution. Save and except Mr. Chetan Kothari and Mr. .Hiren Kothari, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board of Directors recommends the Resolution as set out at Item No.7 of the Notice for your approval.

#### **ITEM NO.8 &9.**

Considering the need for granting stock options for the employees of the Company & its subsidiary, it is proposed to place for the approval of the members new stock option plans (TIL Employee Stock Option Plan 2010) consisting of a total of 2920022 options (approximately 5 % of the paid up capital of the Company)

for making grants to the employees of the Company and its subsidiary(ies), which shall be compliant with all the guidelines of the Securities and Exchange Board of India ( Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the "SEBI Guidelines") ( including any statutory modifications or re-enactment of the Act or the SEBI Guidelines. A copy of the drafts of the TIL Employee Stock Option Plan 2010 is available at the registered office of the Company for inspection by the member during the business hours of the Company. The Salient Features as required under the SEBI Guidelines of the draft of the TIL Employee Stock Option Plan 2010 are as follows and the resolutions are being proposed as separate resolutions as required under the SEBI Guidelines:

#### ITEM NO.8.

Salient features of the draft TIL Employee stock Option Plan 2010 as required under the SEBI Guidelines are as follows:

Sr. No.	Particulars	Description
1.	Plan	TIL EMPLOYEE STOCK OPTION PLAN 2010
2.	Total number of options granted to participants.	2920022
3.	Classes of Employees entitled to participate.	Employees of the Company and its Subsidiaries.
4.	Requirements of vesting and vesting period	The options granted shall vest so long as the employee continues to be in the employment of the Company. Subject to a minimum vesting period of 1 year and a maximum vesting period of 3 years, the Compensation Committee of the Board can determine from time to time the vesting schedule for the grants to be made under TIL ESOP PLAN 2010 from time to time by considering the performance and other fair and relevant compensation related factors.
5.	Maximum period within which the options shall be vested	Subject to the maximum vesting period of 3 years, the Compensation committee of the Board can determine from time to time the vesting period and schedule for the grants to be made under the TIL ESOP PLAN 2010 from time to time by considering the performance and other fair and relevant compensation related factors and the regulations.
6.	Maximum number of options to be issued per employee and in aggregate	Per Employee – As may be determined by the Compensation Committee, subject to SEBI Guidelines and based on the number of years of experience, contribution the Company, the qualifications, performance, employee category and the level in organization and other Compensation related factors. Aggregate- 2920022
7.	Exercise price	The exercise of the Options shall be determined by the Compensation Committee of the Board in accordance with the applicable guidelines from time to time for considering the fair market value and the trading price of the Company's equity shares on the Stock Exchange(s).
8.	Exercise period and process of exercise	Exercise period shall commence from the date of vesting and expire at the end of 6 (six) months from the respective vesting date. However, the exercise period can be extended by such further periods as may be deemed to be essential by the Compensation Committee, subject to the maximum period being not later than 7 years from the date of grant of options.
9.	Appraisal process for determining the eligibility of employees	The Company has formal appraisal system established where in the performance of the employee is assessed each year on the basis of various functional and managerial parameters including years of service, experience, qualifications and contribution towards the growth of the Company, level in the Company hierarchy. The eligibility of employees shall also be determined and reviewed from time to time by the Compensation Committee.
10.	a. Accounting Method b. Method which the company shall use to value its options whether fair value or intrinsic value	Company shall conform to the accounting policies specified in clause 13.1 & Schedule-I of the SEBI Guidelines. Intrinsic Value Method will be used to value options. As the Company will calculate the employees compensation cost using the 'intrinsic value' of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the 'fair value' of the options, shall be disclosed in the Directors' report and also the impact of this difference on Profit and EPS of the company shall be disclosed in the Directors' report.
11.	Whether the vesting period would continue in case of transfer of employee from one subsidiary to another	Yes.
12.	Whether grants can be made to Company's Subsidiary(ies)	Yes

The Board considers it in the interest of the Company to approve the TIL Employee Stock Option Plan 2010.

The Board of Directors of your Company recommends this resolution to be passed as a Special Resolution, for your approval.

None of the Directors of the Company or its Subsidiary are concerned or interested in the Resolution, except to the extent of their eligibility in the ESOP Plan.



#### ITEM NO.9.

Salient features of the draft TIL Employee stock Option Plan 2010 (separate resolution for subsidiary company employees) as required under the SEBI Guidelines are as follows:

Sr. No.	Particulars	Description
1.	Plan	TIL EMPLOYEE STOCK OPTION PLAN 2010
2.	Total number of options granted to participants.	2920022
3.	Classes of Employees entitled to participate.	Employees of the Company and its Subsidiaries.
4.	Requirements of vesting and vesting period	The options granted shall vest so long as the employee continues to be in the employment of the Company. Subject to a minimum vesting period of 1 year and a maximum vesting period of 3 years, the Compensation Committee of the Board can determine from time to time the vesting schedule for the grants to be made under TIL ESOP PLAN 2010 from time to time by considering the performance and other fair and relevant compensation related factors.
5.	Maximum period within which the options shall be vested	Subject to the maximum vesting period of 3 years, the Compensation committee of the Board can determine from time to time the vesting period and schedule for the grants to be made under the TIL ESOP PLAN 2010 from time to time by considering the performance and other fair and relevant compensation related factors and the regulations.
6.	Maximum number of options to be issued per employee and in aggregate	Per Employee – As may be determined by the Compensation Committee, subject to SEBI Guidelines and based on the number of years of experience, contribution the Company, the qualifications, performance, employee category and the level in organization and other Compensation related factors. Aggregate- 2920022
7.	Exercise price	The exercise of the Options shall be determined by the Compensation Committee of the Board in accordance with the applicable guidelines from time to time for considering the fair market value and the trading price of the Company's equity shares on the Stock Exchange(s).
8.	Exercise period and process of exercise	Exercise period shall commence from the date of vesting and expire at the end of 6 (six) months from the respective vesting date. However, the exercise period can be extended by such further periods as may be deemed to be essential by the Compensation Committee, subject to the maximum period being not later than 7 years from the date of grant of options.
9.	Appraisal process for determining the eligibility of employees	The Company has formal appraisal system established where in the performance of the employee is assessed each year on the basis of various functional and managerial parameters including years of service, experience, qualifications and contribution towards the growth of the Company, level in the Company hierarchy. The eligibility of employees shall also be determined and reviewed from time to time by the Compensation Committee.
10.	a. Accounting Method b. Method which the company shall use to value its options whether fair value or intrinsic value	Company shall conform to the accounting policies specified in clause 13.1 & Schedule-I of the SEBI Guidelines. Intrinsic Value Method will be used to value options. As the Company will calculate the employees compensation cost using the 'intrinsic value' of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the 'fair value' of the options, shall be disclosed in the Directors' report and also the impact of this difference on Profit and EPS of the company shall be disclosed in the Directors' report.
11.	Whether the vesting period would continue in case of transfer of employee from one subsidiary to another	Yes.
12.	Whether grants can be made to Company's Subsidiary(ies)	Yes

The Board considers it in the interest of the Company to approve the TIL Employee Stock Option Plan 2010.

The Board of Directors of your Company recommends this resolution to be passed as a Special Resolution, for your approval.

None of the Directors of the Company or its Subsidiary are concerned or interested in the Resolution, except to the extent of their eligibility in the ESOP Plan.

## ITEM NO.10

The Company needs to raise funds for normal capital expenditure, expansion, acquisition/s, general corporate purposes, working capital requirements etc. The Board of Directors have proposed that it would be necessary for the Company to raise funds not exceeding Rs. 150,00,00,000/- (Rupees One Hundred Fifty Crores only) in the manner as set out in the Resolution No. 10 of the Notice.

The resolution set out in Item No. 10 is an enabling resolution conferring authority on the Board to do all the acts and deeds which may be required to issue/offer securities of appropriate nature at an opportune time, including the size, structure, price and timing of the issue/offer at the appropriate time(s). The detailed terms and conditions for the international and/or domestic offering will be determined in consultation with the lead managers, consultants, advisors, underwriters and/or other such intermediaries as may be appointed for the issue/offer. Wherever necessary and applicable, the pricing of the issue/offer will be finalized in accordance with the applicable guidelines in force of the Government of India, RBI, SEBI and other relevant authorities. Since the pricing of the offering can be decided only at a later stage, it's not possible to state the price or the exact number of securities or instruments to be issued.

Section 81 of the Companies Act, 1956 and the listing agreements provide, inter alia, that whenever it is proposed to increase the subscribed capital of the Company by further issue/offer and allotment of shares, such shares shall be offered to existing shareholders of the Company in the manner laid down in the section, unless the shareholders decide otherwise in the general meeting. Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other provisions of the Companies Act, 1956 and in terms of provisions of the listing agreements executed by the Company with the Stock Exchanges, authorizing the Board to issue securities, as stated in the resolution which would result in issuance of further securities of the Company

to persons other than existing members of the Company in accordance with the terms and nature of the securities.

The Resolution in the accompanying Notice being proposed as a Special Resolution is essentially an enabling one and relates to a proposal to create, issue, offer and allot equity shares/depository receipts/foreign currency convertible bonds and/or other appropriate securities upto an amount not exceeding Rs. 150 Crores inclusive of premium in the course of domestic/international offerings. Such securities are proposed to be issued to any eligible person including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Financial Institutions and Qualified Institutional Buyers, etc.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement with qualified institutional buyers as defined by Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulation, 2009 ('ICDR Regulations'). The Board of Directors may in its discretion adopt this mechanism as prescribed under Chapter VIII of ICDR Regulations without the need for fresh approval from the shareholders.

The 'Relevant Date' on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the Committee of Directors duly authorized by the Board decided to open the proposed issue of Securities.

Your directors commend the resolution for your approval as a Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the proposed Resolution at Item No. 10 except to the extent of their holding of equity shares in the Company and/or of their relatives and/or companies/concerns in which they may be interested.

## ITEM NO: 11

Since the proposal involves issue and allotment of Equity Shares on preferential basis, thereby increasing the paid-up share capital of the Company, the approval of members under section 81, 81(1A) of the Act is required by means of a Special Resolution, the disclosures as mandated under Regulation 73 of ICDR Regulations, 2009 are as under:

### a. Object of issue through preferential offer:

The proposed issue of Equity Shares on preferential basis is in consideration of acquisition of Mastiff Tech Private Limited ('MTPL') from the existing shareholders of MTPL as per the list given below:

Sl. No	Name of Shareholders of MTPL	No. of Shares held in MTPL
01	Ajay Pandey	59376
02	Tushar Vohra	59376
03	Himanshu Tiwari	16000
04	Sudhanshu Tiwari	16000
05	Manoj Samuel	9248
	Total	160000

### b. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors/ Key Management Persons do not intend to subscribe to the present offer.

c. Shareholding Pattern before(as on 30<sup>th</sup> June,2010) and after the preferential offer:

Cat. Code	Category of Shareholder	Pre Issue		Post Issue	
		Holding	% of total share capital	Holding	% of total share capital
A.	Shareholding of Promoter and Promoters group				
1.	Indian				
a.	Individuals/HUF	5556760	9.515	5556760	9.41
b.	Central Govt./State Govt.	Nil	Nil	Nil	Nil
c.	Bodies Corporate	3176970	5.440	3176970	5.38
d.	Financial Institutions/Banks	Nil	Nil	Nil	Nil
e.	Any other(Specify)	Nil	Nil	Nil	Nil
	Sub-total (A)(1)	8733730	14.955	8733730	14.79
2.	Foreign	Nil	Nil	Nil	Nil
a.	Individuals/HUF	Nil	Nil	Nil	Nil
b.	Bodies Corporate	Nil	Nil	Nil	Nil
c.	Institutions	Nil	Nil	Nil	Nil
d.	Any other(Specify)	Nil	Nil	Nil	Nil
	Sub-total (A)(2)	Nil	Nil	Nil	Nil
	Total shareholding of Promoter and Promoters group (A) = (A)(1) + (A)(2)	8733730	14.955	8733730	14.79
B.	Public Shareholding				
1.	Institutions				
a.	Mutual Funds/UTI	Nil	Nil	Nil	Nil
b.	Financial Institutions/Banks	27000	0.046	27000	0.045
c.	Central Govt./State Govt.	160235	0.274	160235	0.27
d.	Venture Capital Funds	Nil	Nil	Nil	Nil
e.	Insurance Companies	Nil	Nil	Nil	Nil
f.	Foreign Institutional Investors	2141817	3.667	2141817	3.63
g.	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil
h.	Any other	Nil	Nil	Nil	Nil
	Sub- total (B)(1)	2329052	3.988	2329052	3.94
2.	Non Institutions				
a.	Bodies Corporate	9937277	17.016	9937277	16.83
b.	Individuals				
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	9676978	16.570	9713930	16.45
	ii. Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	20062415	34.353	20664763	35.00
c.	Any other				
	i. Clearing Members	222869	0.382	222869	0.38
	ii. Overseas Corporate Bodies	917007	1.570	917007	1.55
	iii. Non Resident Indians	571122	0.978	571122	0.97
	Sub total (B)(2)	41387668	70.869	42026968	71.18
	Total Public Shareholding (B) = (B)(1) + (B)(2)	43716720	74.857	44356020	75.13
C.	Shares held by Custodians and against which Depository Receipts have been issues	5950000	10.188	5950000	10.08
	GRAND TOTAL= (A) + (B) + (C)	58400450	100.00	59039750	100.00

d. Proposed time limit within which the allotment shall be completed:

The allotment of Equity Shares is expected to be completed within 15 days from the date of passing of the resolution . Provided however that if the allotment is pending on account of pendency of any approval from any regulatory authority, the allotment would be completed within 15 days of such approval.

- e. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them and change in control if any, consequent to the preferential issue:

Sl. No	Name of proposed allottee	Address	Proposed Allotment of Equity Shares of Rs.2/- each	Post Issue Holding (No. of Shares)	% of post issue capital
01	Ajay Pandey	Flat No.702, Eden2, Hirandani Estate, off. Gaudbunder Road, Thane(West)-400607	237244	237244	0.401
02	Tushar Vohra	Flat No-A503, Vasundhara, Kanakia Spaces, Pokhran Road:2, Off Gaudbunder Road, Thane-(W)- 400607	237244	237244	0.401
03	Himanshu Tiwari	Villa#28, Enclave-A, Neelkanth Woods, Off. Gaudbunder Road, Thane-(West)-400610	63930	63930	0.108
04	Sudhanshu Tiwari	Villa#28, Enclave-A, Neelkanth Woods, Off. Gaudbunder Road, Thane-(West)-400610	63930	63930	0.108
05	Manoj Samuel	Flat No-B-204, Vesta, Lodha Paradise, Thane-West	36952	36952	0.0625

There shall not be any change of control pursuant to the preferential allotment.

- f. Issue Price :

The issue price is Rs.20/-(Rupees Twenty) per Equity Shares being price agreed as per Share Purchase Agreement entered by Company on 13<sup>th</sup> August,2010 or at such price to be determined in accordance with the ICDR Regulations,2009, as in force on the date of this notice ,whichever is higher.

- g. Relevant Date:

The relevant date for the issue of Equity Shares Shall be 31<sup>st</sup> August, 2010.

- h. Lock in period:

The Equity Shares shall be locked in for a period of 1(one) year from the date of their allotment as per ICDR Regulations, 2009.

- i. Auditors Certificate:

A copy of certificate obtained from M/s J L Bhatt & Co., Chartered Accountants, Mumbai, certifying that the issue of Equity Shares is being made in accordance with the requirements of ICDR Regulations,2009 for preferential issue shall be available for inspection at the Registered Office of the Company between 9.30 a.m. to 3.00 p.m. on all working days except Saturdays upto 29<sup>th</sup> September ,2010.

- j. Shareholders Consent :

Shareholders Consent is sought pursuant to section 81,81(1A) of the Companies Act,1956 and in terms of the Listing Agreement with Stock Exchanges, and ICDR Regulations , to the issue of the Equity Shares ,as set out in the Resolution.

Accordingly, Directors recommend the Special Resolution as set out at item No.11 of the accompanying Notice for approval of the Members of the Company.

None of the Directors of the company are interested or deemed to be concerned or interested in the said Resolution.

## ITEM NO: 12

Since the proposal involves issue and allotment of Equity Shares on preferential basis , thereby increasing the paid-up share capital of the Company, the approval of members under section 81, 81(1A) of the Act is required by means of a Special Resolution ,the disclosures as mandated under Regulation 73 of ICDR Regulations,2009 are as under :

- a. Object of issue through preferential offer:

The proposed issue of Equity Shares on preferential basis is in consideration of acquisition of Mastiff Internet Media Solutions Private Limited ('MIMSPL') from the existing shareholders of MIMSPL as per the list given below:

Sl. No	Name of Shareholder of MIMSPL	No. of Shares held in MIMSPL
01	Ajay Pandey	5000
02	Tushar Vohra	5000
	Total	10000

- b. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters/Directors/ Key Management Persons do not intend to subscribe to the present offer.

c. Shareholding Pattern before(as on 30<sup>th</sup> June,2010) and after the preferential offer:

Cat. Code	Category of Shareholder	Pre Issue		Post Issue	
		Holding	% of total share capital	Holding	% of total share capital
A.	Shareholding of Promoter and Promoters group				
1.	Indian				
a.	Individuals/HUF	5556760	9.515	5556760	9.42
b.	Central Govt./State Govt.	Nil	Nil	Nil	Nil
c.	Bodies Corporate	3176970	5.440	3176970	5.38
d.	Financial Institutions/Banks	Nil	Nil	Nil	Nil
e.	Any other(Specify)	Nil	Nil	Nil	Nil
	Sub-total (A)(1)	8733730	14.955	8733730	14.80
2.	Foreign	Nil	Nil	Nil	Nil
a.	Individuals/HUF	Nil	Nil	Nil	Nil
b.	Bodies Corporate	Nil	Nil	Nil	Nil
c.	Institutions	Nil	Nil	Nil	Nil
d.	Any other(Specify)	Nil	Nil	Nil	Nil
	Sub-total (A)(2)	Nil	Nil	Nil	Nil
	Total shareholding of Promoter and Promoters group (A) = (A)(1) + (A)(2)	8733730	14.955	8733730	14.80
B.	Public Shareholding				
1.	Institutions				
a.	Mutual Funds/UTI	Nil	Nil	Nil	Nil
b.	Financial Institutions/Banks	27000	0.046	27000	0.05
c.	Central Govt./State Govt.	160235	0.274	160235	0.27
d.	Venture Capital Funds	Nil	Nil	Nil	Nil
e.	Insurance Companies	Nil	Nil	Nil	Nil
f.	Foreign Institutional Investors	2141817	3.667	2141817	3.63
g.	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil
h.	Any other	Nil	Nil	Nil	Nil
	Sub- total (B)(1)	2329052	3.988	2329052	3.95
2.	Non Institutions				
a.	Bodies Corporate	9937277	17.016	9937277	16.46
b.	Individuals				
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	9676978	16.570	9676978	16.39
	ii. Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	20062415	34.353	20673115	35.03
c.	Any other				
	i. Clearing Members	222869	0.382	222869	0.37
	ii. Overseas Corporate Bodies	917007	1.570	917007	1.55
	iii. Non Resident Indians	571122	0.978	571122	0.97
	Sub total (B)(2)	41387668	70.869	41998368	71.17
	Total Public Shareholding (B) = (B)(1) + (B)(2)	43716720	74.857	44327420	75.11
C.	Shares held by Custodians and against which Depository Receipts have been issues	5950000	10.188	5950000	10.08
	GRAND TOTAL = (A) + (B) + (C)	58400450	100.00	59011150	100.00

e. Proposed time limit within which the allotment shall be completed:

The allotment of Equity Shares is expected to be completed within 15 days from the date of passing of the resolution. Provided however that if the allotment is pending on account of pendency of any approval from any regulatory authority, the allotment would be completed within 15 days of such approval.

f. Identity of the proposed allottee and the percentage of post preferential issue capital that may be held by them and change in control if any, consequent to the preferential issue:

Sl. No	Name of proposed allottee	Address	Proposed Allotment of Equity shares of Rs.2/- each	Post Issue Holding (No. of Shares)	% of post issue capital
01	Ajay Pandey	Flat No.702, Eden2, Hirandani Estate, off. Gaudbunder Road, Thane(West)-400607	305350	305350	0.517
02	Tushar Vohra	Flat No-A503, Vasundhara, Kanakia Spaces, Pokhran Road:2, Off Gaudbunder Road, Thane-(W)- 4000607	305350	305350	0.517

There shall not be any change of control pursuant to the preferential allotment.

g. Issue Price :

The issue price is Rs.20/- (Rupees Twenty) per Equity Shares being price agreed as per Share Purchase Agreement entered by Company on 13<sup>th</sup> August,2010 or at such price to be determined in accordance with the ICDR Regulations, as in force on the date of this notice ,whichever is higher.

h. Relevant Date:

The relevant date for the issue of Equity Shares Shall be 31<sup>st</sup> August,2010.

i. Lock in period:

The Equity Shares shall be locked in for a period of 1(one) year from the date of their allotment as per ICDR Regulations, 2009.

j. Auditors Certificate:

A copy of certificate obtained from M/s J L Bhatt & Co., Chartered Accountants, Mumbai, certifying that the issue of Equity Shares is being made in accordance with the requirements of ICDR Regulations for preferential issue shall be available for inspection at the Registered Office of the Company between 9.30 a.m. to 3.00 p.m. on all working days except Saturdays up to 29<sup>th</sup> September ,2010.

k. Shareholders Consent :

Shareholders Consent is sought pursuant to section 81,81(1A) of the Companies Act,1956 and in terms of the Listing Agreement with Stock Exchanges, and ICDR Regulations,2009 , to the issue of the Equity Shares ,as set out in the Resolution.

Accordingly, Directors recommend the Special Resolution as set out at item No.12 of the accompanying Notice for approval of the Members of the Company.

None of the Directors of the company are interested or deemed to be concerned or interested in the said Resolution.

### ITEM NO: 13

Since the proposal involves issue and allotment of Fully Convertible Debentures on preferential basis , thereby increasing the paid-up share capital of the Company on conversion, the approval of members under section 81, 81(1A) of the Act is required by means of a Special Resolution ,the disclosures as mandated under Regulation 73 of ICDR Regulations,2009 are as under :

a. Object of issue through preferential offer:

To augment the long term resource requirement of the Company considering the various acquisition plans for inorganic growth of the Company.

b. Intention of the Promoters/Directors/Key management persons to subscribe to the offer:

The Promoters do not intend to subscribe to the present offer.

Mr. Vijay Kumar Bhatia and Mr. Hariom Tulsyan, Directors of the Company intend to subscribe to the offer. Both the Directors are Independent Directors on the Board of the Company.

c. Some of the Specific Terms of the FCD proposed to be issued are as under:

i. The FCD shall be convertible at any time within a period of 18 (eighteen) months from the date of allotment of FCD at the option of the Company.

ii. Each FCD shall be convertible into 1(one) Equity Share of Rs.2/- each fully paid-up at a price of Rs.20/-per share, which includes a premium of Rs.18/- per share, calculated in accordance with ICDR Regulations.

iii. FCD shall carry a simple rate of interest of 15% per annum payable quarterly till the date of conversion.

d. Shareholding Pattern before(as on 30<sup>th</sup> June,2010) and after the preferential offer:

Cat. Code	Category of Shareholder	Pre Issue		Post Issue	
		Holding	% of total share capital	Holding	% of total share capital
A.	Shareholding of Promoter and Promoters group				
1.	Indian				
a.	Individuals/HUF	5556760	9.515	5556760	8.123
b.	Central Govt./State Govt.	Nil	Nil	Nil	Nil
c.	Bodies Corporate	3176970	5.440	3176970	4.644
d.	Financial Institutions/Banks	Nil	Nil	Nil	Nil
e.	Any other(Specify)	Nil	Nil	Nil	Nil
	Sub-total (A)(1)	8733730	14.955	8733730	12.767
2.	Foreign	Nil	Nil	Nil	Nil
a.	Individuals/HUF	Nil	Nil	Nil	Nil
b.	Bodies Corporate	Nil	Nil	Nil	Nil
c.	Institutions	Nil	Nil	Nil	Nil
d.	Any other(Specify)	Nil	Nil	Nil	Nil
	Sub-total (A)(2)	Nil	Nil	Nil	Nil
	Total shareholding of Promoter and Promoters group (A) = (A)(1) + (A)(2)	8733730	14.955	8733730	12.767
B.	Public Shareholding				
1.	Institutions				
a.	Mutual Funds/UTI	Nil	Nil	Nil	Nil
b.	Financial Institutions/Banks	27000	0.046	27000	0.039
c.	Central Govt./State Govt.	160235	0.274	160235	0.234
d.	Venture Capital Funds	Nil	Nil	Nil	Nil
e.	Insurance Companies	Nil	Nil	Nil	Nil
f.	Foreign Institutional Investors	2141817	3.667	2141817	3.131
g.	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil
h.	Any other	Nil	Nil	Nil	Nil
	Sub- total (B)(1)	2329052	3.988	2329052	3.405
2.	Non Institutions				
a.	Bodies Corporate	9937277	17.016	14382277	21.026
b.	Individuals				
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh	9676978	16.570	9676978	14.147
	ii. Individual Shareholders holding nominal share capital in excess of Rs.1 lakh.	20062415	34.353	25617415	37.452
c.	Any other				
	i. Clearing Members	222869	0.382	222869	0.325
	ii. Overseas Corporate Bodies	917007	1.570	917007	1.340
	iii. Non Resident Indians	571122	0.978	571122	0.834
	Sub total (B)(2)	41387668	70.869	51387668	75.127
	Total Public Shareholding (B) = (B)(1) + (B)(2)	43716720	74.857	53716720	78.532
C.	Shares held by Custodians and against which Depository Receipts have been issues	5950000	10.188	5950000	8.698
	GRAND TOTAL = (A) + (B) + (C)	58400450	100.00	68400450	100.00

e. Proposed time limit within which the allotment shall be completed:

The allotment of FCD is expected to be completed within 15 days from the date of passing of the resolution. Provided however that if the allotment is pending on account of pendency of any approval from any regulatory authority, the allotment would be completed within 15 days of such approval.

f. Identity of the proposed allottee and the percentage of post preferential issue capital that may be held by them and change on control if any, consequent to the preferential issue:

Sl.No.	Name of proposed allottee	Address	Proposed Allotment of FCD (No. of FCD)	Post Issue holding (on conversion of FCD) (No. of Equity Shares of Rs.2/- each)	% of post issue Capital (on Conversion of FCD)
1.	Jaykal Exports Pvt. Limited	11,Damji Shamji Udyog BHavan, Veera Desai Road, Andheri-W, Mumbai-400053	125000	125000	0.182
2	Alka Chetan Shah	1005, Ajinath Bldg., Neelkanth Enclave, LBS Marg, Opp. Sreyas Talkies, Ghatkopar-W, Mumbai-86	50000	50000	0.073
3.	Atul Amritlal Gudka	302, Sayonara Bldg., Vallabaugh Extn. Road,Ghatkopar-E,Mumbai-400077	50000	50000	0.073
4.	Kantarani Jarnalal Gulati Rajkumar Jarnalal Gulati	4, Vasant Bldg, 3B Pedder Road, Mumbai-400026	200000	200000	0.292
5.	Purnima Bothra Bhupendra Kumar Bothra- HUF	101, Rajmala, 87-B, Napeansea Road, Mumbai-400006	50000	50000	0.073
6.	Vijay Kumar Bhatia	618, Tulsiani Chambers, Nariman Point, Mumbai-400021	1000000	1820000	2.66
7.	Usha Bhatia	22, Sita Mahal, B .D Petit Road, 3 <sup>rd</sup> Floor, Mumbai-400036.	500000	590503	0.86
8.	Gaurav Bhatia	618, Tulsiani Chambers, Nariman Point, Mumbai-400021	555000	670200	0.97
9.	Roopam Bhatia	22, Sita Mahal, BD Petit Road, 3 <sup>rd</sup> Floor, Mumbai-400036	125000	125000	0.182
10.	Sareeta Bhatia	8/10, Shri Ram Road, Civil Lines, Delhi-110054	150000	150000	0.219
11.	Payal Bhatia	8/10, Shri Ram Road, Civil Lines, Delhi-110054	125000	125000	0.182
12.	Ekta Bhatia	10/6, B, Shri Ram Road, Alipur Road, Civil Lines, Delhi-110054	125000	125000	0.182
13.	Paras Bhatia	8/10 Shri Ram Road, Civil Lines, Delhi-110054	50000	175000	0.255
14.	Parikshit Bhatia	House No.8/10, Shri Ram Road, Civil Lines, Delhi-110054	50000	245000	0.358
15.	Sanjay Bhatia	A-155,New Friends Colony, New Delhi-110065	125000	1250000	1.827
16.	Manju Bhatia	A-155,New Friends Colony, New Delhi-110065	125000	125000	0.182
17.	Neha Bhatia	A-155, New Friends Colony, New Delhi-110065	125000	125000	0.182
18.	Devkiran Marketing Pvt. Ltd.	Yusuf Building, 43, M G Road, Fort,MUMBAI - 400 023.	2500000	2500000	3.654
19.	Siddhivinayak Markin Pvt. Ltd.	130, Great Western Building, Nagindas Master Road Extn., Fort, Mumbai - 400 023.	1820000	1820000	2.660
20.	Sumeet Balkishan Gupta	19,Seeta Mahal, Bomanji Petit Road, Near Parsi General Hospital, Mumbai-36.	625000	625000	0.913
21.	Balkishan Premnath Gupta	19,Seeta Mahal, Bomanji Petit Road, Near Parsi General Hospital, Mumbai-36.	625000	627000	0.913



22.	Hariom Tulsyan Bimla Tulsyan	4, Bhagwan Apts, 12, Abdul Gaffar Khan Road, Worli Sea Face, Mumbai-400018.	100000	110000	0.160
23.	Rajkumar Jamnalal Gulati HUF	4, Vasant Bldg, 3B Peddar Road, Mumbai-400026	25000	25000	0.036
24.	Akanksha Rajkumar Gulati Rajkumar J Gulati	3, Vasant Bldg, 3-B Pedder Road, Mumbai-400026	25000	25000	0.036
25.	Rajkumar Jamnalal Gulati Mini R Gulati	4, Vasant Bldg, Pedder Road, Mumbai-400026	50000	193340	0.282
26.	Mini R Gulati Rajkumar J Gulati	4, Vasant Bldg, Pedder Road, Mumbai-400026	50000	275590	0.402
27.	Hemant J Gulati Mini R Gulati	4, Vasant Bldg, Pedder Road, Mumbai-400026	125000	125000	0.182
28.	Nakul Rajkumar Gulati Rajkumar J Gulati	3, Vasant Bldg, 3-B Pedder Road, Mumbai-400026	25000	25000	0.036
29.	Anil Ahuja Sanjay Ahuja	711, Raheja Centre, Nariman Point, Mumbai-400021	500000	814990	1.191

There shall not be any change in control of the Company pursuant to the allotment of FCD or Equity Shares on conversion.

g. Issue Price :

The issue price is Rs.20/- (Rupees Twenty) per Equity Share arising out of the conversion of FCD or at such price to be determined in accordance with the ICDR Regulations, 2009, as in force on the date of this notice, whichever is higher.

h. Relevant Date:

The relevant date for the issue of FCD and for issue of Equity Shares allotted on conversion of FCD shall be 31<sup>st</sup> August, 2010.

i. Lock in period:

The FCD shall be locked in for a period of 1 (one) year from the date of their allotment as per ICDR Regulations, 2009.

j. Auditors Certificate:

A copy of certificate obtained from M/s J L Bhatt & Co., Chartered Accountants, Mumbai, certifying that the issue of FCD/Equity Shares is being made in accordance with the requirements of ICDR Regulations, 2009 for preferential issue shall be available for inspection at the Registered Office of the Company between 9.30 a.m. to 3.00 p.m. on all working days except Saturdays upto 29<sup>th</sup> September, 2010.

k. Shareholders Consent :

Shareholders Consent is sought pursuant to section 81,81(1A) of the Companies Act, 1956 and in terms of the Listing Agreement with Stock Exchanges, and ICDR Regulations, 2009, to the issue of the FCD, as set out in the Resolution.

Accordingly, Directors recommend the Special Resolution as set out at item No.13 of the accompanying Notice for approval of the Members of the Company.

None of the Directors of the company other than Mr. Vijay Kumar Bhatia and Mr. Hariom Tulsyan are interested or deemed to be concerned or interested in the said Resolution.

BY ORDER OF THE BOARD OF DIRECTORS

**Place: Mumbai**

**Date: 25<sup>th</sup> August, 2010**

Registered Office:  
Tricom House, Gandhi Estate,  
Andheri Kurla Road,  
Safed Pool,  
Andheri (East), Mumbai - 400 072.

**B. L. BOOLANI**

**CHAIRMAN**





## TRICOM INDIA LIMITED

Regd. Office: Tricom House, Gandhi Estate, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072.

### PROXY FORM

#### 18<sup>th</sup> Annual General Meeting

Reg. Folio No..... DP ID\* ..... Client ID\* .....

I/We..... of.....  
..... in the district of .....being a Member/Members of TRICOM INDIA LIMITED hereby  
appoint..... of ..... in the district  
of .....or failing him.....of..... in the district  
of.....as my/our Proxy to attend and vote for me/us on my/our behalf at the  
Eighteenth Annual General Meeting of Tricom India Limited to be held on 30<sup>th</sup> September, 2010 at 11.00 A.M. and at any  
adjournment thereof.

Signed this..... day of.....2010.

Signature(s) of the Shareholder(s).....

Signature of Proxy.....

Affix Re. 1/-  
Revenue  
Stamp

NOTE: This form must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

\* Applicable for investors holding shares in electronic (dematerialized) form.



## TRICOM INDIA LIMITED

Regd. Office: Tricom House, Gandhi Estate, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072.

### ATTENDANCE SLIP

#### 18<sup>th</sup> Annual General Meeting

To be handed over at the entrance of the Meeting Hall

I/We hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING held at Damodar Thakarsi Mulji Hall,  
Dr. Ambedkar Marg, Parel Naka, MUMBAI-400012, on 30<sup>th</sup> September, 2010 at 11.00 A.M.

Reg. Folio No..... DP ID\* ..... Client ID\* .....

No. of Shares: .....

\_\_\_\_\_  
Full Name of the Shareholder

(in block letters)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
\*\*Full Name of Proxy

(in block letters)

\* Applicable for investors holding shares in electronic (dematerialized) form.

\*\* (To be filled in if the Proxy attends instead of the Member)

\_\_\_\_\_  
Signature



A central graphic of a microchip with white pins on all four sides, set against a dark grey background. The chip is surrounded by a complex network of white lines representing circuit traces and various icons such as a battery, a document, a globe, and a laptop, all in a light blue color. Binary code (0s and 1s) is scattered throughout the background.

# SUCCESSFUL INTEGRATION

TRICOM INDIA LIMITED  
18<sup>th</sup> Annual Report 2009-10

The Tricom logo features the word "tricom" in a bold, lowercase, sans-serif font. A blue swoosh underline starts under the 't' and ends under the 'm'.

**tricom**



# SUCCESSFUL INTEGRATION

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A self-contained module that binds and interconnects innumerable electronic components in a seamless manner to give life to the most sophisticated of applications. Not surprising that we have chosen the circuit board to depict the biggest story to have transpired at Tricom India. The exemplary story of successful integration of our businesses.

A story that has enabled us to continuously climb the value chain and emerge as a focused solution provider with extensive onshore and offshore presence.

A story that will further allow us to adequately capitalize on our inimitable business strengths, comprehensive resources and rich experience to grow promising business verticals such as healthcare.

A story that will continue to propel our capability to convincingly harness emerging opportunities, deliver tailor-made solutions, optimize operational efficiencies and achieve long-term goals.

And a story that will augment Tricom India's competitive positioning in the industry – a positioning built on the bedrock of robust competencies, technological prowess and long expertise.

It's a story that epitomizes the spirit of 2009-10 as truly the year of successful integration for Tricom India.



FINANCE  
AND BANKING



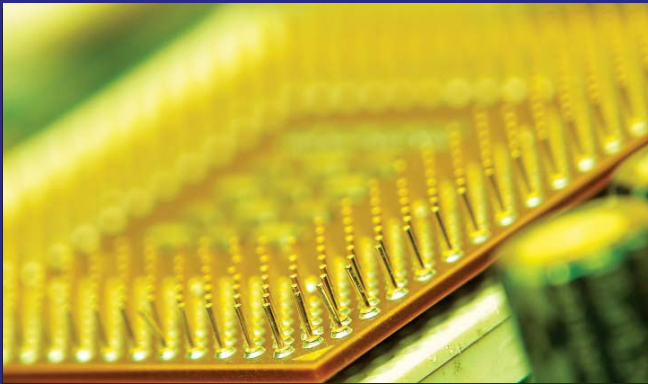
LOGISTICS



IT & SOFTWARE



LEGAL



**A CREDIBLE**  
DECADE OF PRESENCE



TITLE INSURANCE



**TRICOM INDIA LIMITED** is an ITeS company focused on non-voice Business Process Outsourcing (BPO). The Company delivers IT-enabled, innovative outsourcing Data Management and Data Capturing services. Tricom specializes in six major areas which include Healthcare Services, Forms Processing, Title Plant Maintenance, e-Publishing and Litigation Coding, in addition to Software Services.

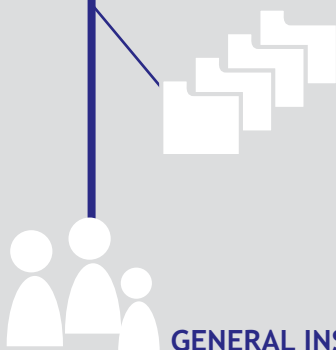
Tricom's consistent, timely and effective offerings have enabled it to be entrenched across diverse fast-growing sectors, including Finance & Banking, IT & Software, Healthcare, Title Insurance, General Insurance, Pharmaceutical, Legal and Logistics. Tricom has to its credit a long list of prestigious and enviable clientele spanning these diverse sectors.

It is the ability to provide niche services, which ease out the pressure of cumbersome and voluminous data management through swift and quality digitization, categorization and search capabilities that makes Tricom a preferred service provider. This ability has enabled Tricom to be the vendor of choice for various government bodies overseas, large life and general insurance companies, healthcare institutions, hospitals, litigation vendors, large publishers, media houses and retail chains.

Led by a professional management team, Tricom has identified underpenetrated, niche businesses which have a perennial demand. By investing in contemporary technology, building strong in-house solutions, customization capabilities and indigenous workflows, Tricom has created strong entry barriers across its businesses. To further strengthen its presence and achieve scale with speed, the Company acquired synergistic businesses in 2007-08. The successful integration of these businesses was completed in the year under review.

The robust infrastructure of Tricom and its subsidiaries consists of more than 1,00,000 sq ft. spread across three locations in Mumbai, one each in Nashik and Chennai in India and in Phoenix (Arizona) & Morton (Washington) in U.S.

Tricom is listed on NSE, BSE and Luxembourg Stock Exchange.



**GENERAL INSURANCE**



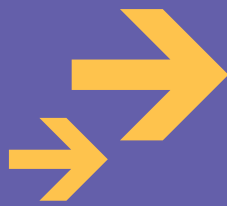
**PHARMACEUTICAL  
HEALTHCARE**

### ROBUST INFRASTRUCTURE

The Company's robust infrastructure is developed with inbuilt features of scalability and flexibility, which leads to the development of an ideal growth-oriented business.

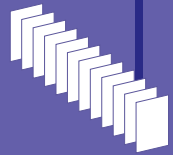
Tricom is equipped to deliver proficient offshore and onshore services with facilities in India and U.S. The Company offers onshore project management support from Houston and five offshore delivery centres in Mumbai, Chennai and a backup centre at Nashik.

During the year, the Company has added a new healthcare facility in Mumbai, with a back-up center at Chennai. The Chennai facility is a result of the acquisition of Godrej Global Solutions Limited (now known as Tricom Infotech Solutions Limited) in 2007-08. Similarly, the acquisition of Pacific Data Center Inc. (PDC) earlier has enabled Tricom to emerge as a 'one-stop-shop' with onshore and offshore delivery capacities.



## STRENGTHS ENHANCED

THROUGH INTEGRATION



ONSHORE & OFFSHORE FACILITIES

CUSTOMIZATION CAPABILITIES

ROBUST  
INFRASTRUCTURE

TECHNOLOGY DRIVEN  
PRACTICAL  
SOLUTIONS

PEOPLE  
RESOURCES

SPEED, ACCURACY,  
EFFICIENCY & ABILITY TO  
DELIVER VOLUMES

**INTEGRATION OF ASSETS  
AND OPERATIONS**





### **CUSTOMIZATION CAPABILITIES**

Tricom differentiates itself through the deep domain knowledge of the sectors it services. This, juxtaposed with practical experience and expertise, facilitates the swift understanding of dynamics and intricacies of businesses, resulting in the development of precise, customized solutions. This ability imbues speed in developing solutions for new customers and is an important competitive edge.

### **TECHNOLOGY DRIVEN**

Tricom has developed proprietary software and designed various indigenous processes from online Project Tracking Tools for clients, where applicable, to eliminate the need to print documents which enhances data security. The Company deploys cost-effective and time-efficient solutions, using a combination of automated and manual applications to provide data and information that enables readily accessible information that can be searched, sorted, located, distributed, and viewed specifically or as a whole in any subject context.

The seamless integration of healthcare business has enabled the Company to secure the expertise required to service large healthcare businesses and bring in the necessary confidence to global healthcare majors to entrust Tricom with its outsourcing projects.

### **VOLUMES WITH ACCURACY**

Tricom guarantees upto 99.998% accuracy and has a flawless record of on-time delivery. The Company has imbibed best business practices in all its operations, along with deployment of high-quality management system that comply with the ISO 27001:2005 and ISO 9001:2008. These prestigious ISO certifications endorse Tricom's commitment to match international standards.

The Company has inbuilt flexibility to handle even sudden spurt of large volumes in-house. With the integration of businesses, there is an increase in ability to process even larger volumes.

### **PEOPLE RESOURCES**

The Company's locations in India across Mumbai, Nashik and Chennai are in close proximity to areas which have growing young population. Promoting recruitment from areas in close proximity enhances potential to scale, reduce attrition levels and imbibe cost-efficiencies.

- Entry maybe easy but scaling up is difficult as consistently handling large volumes retaining quality & timely delivery is a big constraint.
- Customization of solutions is a challenge.
- Training cost is high.
- Switching costs are high.

**1**  
THREAT OF NEW ENTRANTS  
**MEDIUM**

# ANALYZING TRICOM'S BUSINESS MODEL

THROUGH PORTER'S 5 FORCES



- It is a niche area of service.
- Companies offering cost-effective, quality data management and data capturing services consistently within time are limited.
- Long standing relationships play an important role.

**2**  
THREAT FROM BARGAINING POWER OF BUYERS  
**LOW**

- Very few listed companies are focused in these niche areas of services.
- Ability to service well is important.

**3**  
THREAT OF SUBSTITUTE  
**LOW**

- Large English literate talent available.
- Not very high level of education is required. At these levels, fewer career options are available.

**4**  
BARGAINING POWER OF SUPPLIERS  
**LOW**

- Few players with focus on specifically this area of business.
- Immense potential to scale operations in each business vertical.

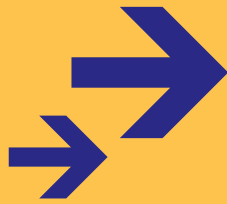
**5**  
INDUSTRY RIVALRY  
**MEDIUM**

## Opportunities in healthcare

### HEALTHCARE IN U.S.

As a share of its economy, the U.S. spends more money on healthcare than any other nation in the world (16% of GDP). According to Center for Medicare & Medicaid Services, healthcare expenditure is expected to cross USD 3 trillion mark in 2011 and is projected to reach USD 4.4 trillion by 2016.

As a part of the USD 787 billion stimulus package, named the American Recovery and Reinvestment Act of 2009, more than USD 180 billion has been set aside for healthcare related spending, of which over USD 19 billion of incentives will be distributed to hospitals/healthcare institutes which better utilize and implement qualified electronic health records. With the regulations of the Health Insurance Portability and Accountability Act (HIPAA) making it mandatory to maintain electronic records, the demand to document medical record has increased manifolds.



## USHERING SCALE THROUGH INTEGRATION

Growing presence in the lucrative  
healthcare segment

This statutory requirement in U.S., coupled with lack of manpower overseas, has resulted in increased business outsourcing of the medical transcription and related healthcare services.

### **HIPAA regulations to translate into huge off shoring opportunity**

Under HIPAA, if a medical service is rendered or a bill is claimed, the payer or provider is required to maintain the relevant records in standard electronic form. They must also adhere to the content and format requirements of each standard.

Today, less than 20% of the clinical data is in the electronic form. This clearly tells us that the amount of medical data that needs to be transcribed will grow at a rapid pace in the near future.

Spiralling healthcare costs, coupled with the increasing regulatory requirement, is expected to result in increased administrative costs by approximately 10% annually. There would be pressure to contain these

costs, which will translate into increased outsourcing.

Increasing regulatory requirements and pressures to contain costs would result in more offshoring business to low-cost countries like India. It is estimated that U.S. healthcare spending is slated to register 6.2% CAGR over 2007-18 to USD 4.4 trillion from USD 2.2 trillion. At present, only about 50% of this is outsourced and an insignificant 1-2% is off-shored.

Widespread adoption of electronic health record systems in North America and Europe will result in 23.8% CAGR in e-health, leading to record spending in these regions to approximately USD 13 billion in 2012.

While direct estimates of the total addressable market size are not available, it is estimated that medical services consisting of Medical Transcription (MT), coding and billing services could be USD 86 billion in FY11, which will likely grow to USD 113 billion by FY15.

### **UK HEALTHCARE MARKET**

The UK mainly funds healthcare through national taxation and delivers services through public providers. Coverage is available to 100% of the population. All legal residents of the UK, residents of the European Economic Area and citizens of other countries with whom the UK has reciprocal agreements, are covered under the UK National Health Service (NHS).

The UK currently spends roughly 7.6% of GDP on healthcare under the NHS — a tax-based universal healthcare financing system. Though UK's healthcare expenditure as a percentage of GDP is below Europe's average, fertility rates and other demographic factors such as aging make UK's healthcare system vulnerable. As a result, outsourcing of healthcare processes is gaining momentum in the UK.

*(Source: McKinsey's report: 'The next wave of change for U.S. healthcare payments, May 2010'; Data Monitor, Research report of Centrium).*



## India an attractive healthcare outsourcing destination

India is expected to capture a large share of the off shored healthcare BPO services by 2010.

India provides a large pool of english-speaking, trainable work force, which can deliver quality output apart from the low-cost advantage. The low penetration of off shoring in the healthcare provider market is mainly

on account of apprehensions in the U.S. health care industry and delivery related problems in India.

It is estimated that off shoring provides a 50% reduction in cost in medical coding and billing, and a 40% cost advantage in medical transcription.\*

\*(Source: Zinnov Consulting, Research reports)

## Tricom's product portfolio

Looking at the lucrative business opportunities in the healthcare space and the synergy shared with existing businesses, Tricom had acquired a Chennai-based health care BPO Company in 2007-08, which is now a 100% subsidiary (Tricom Infotech Solutions Ltd.) of the Company. Tricom Infotech Solutions specializes in three main domains: Healthcare, Data Capture and Data Conversion. The acquisition significantly extended Tricom's portfolio of services in the fast growing healthcare space.

The Company's healthcare solutions provide business processing support and services in the areas of Medical Billing and Claim Processing to healthcare providers and insurance

carriers. The services encompass a comprehensive suite of platform-enabled back-office services that span the healthcare revenue cycle workflow – from patient admission, and charge capture to claims processing and receivables management.

Tricom collaborates with healthcare providers and insurance carriers utilizing a unique and flexible blended-shore approach. Tricom's solutions are focused on increasing the operating margins and cash flow generation of its healthcare clients by deploying most efficient business processes, proprietary re-engineering methodologies and technology enabled automation.





## Making significant strides

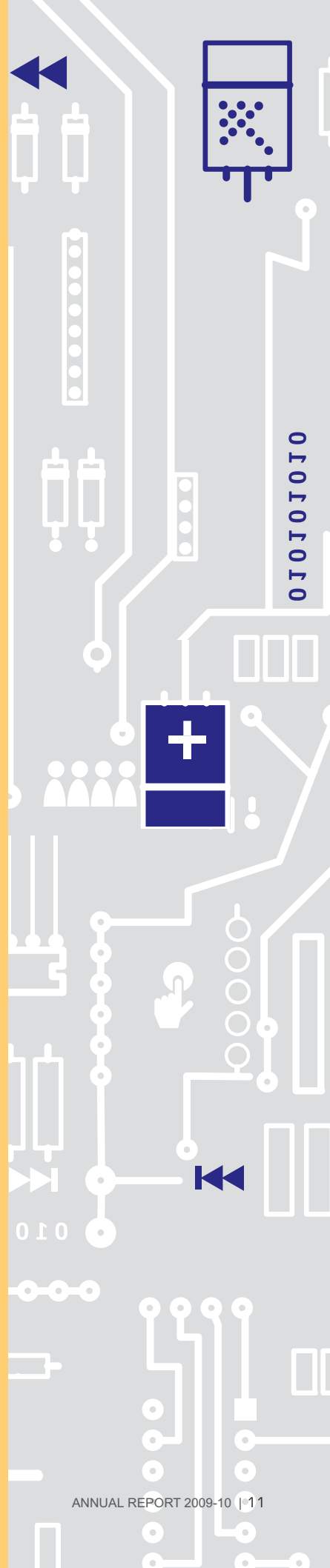
In 2009-10, the year under review, following the successful integration of the healthcare vertical along with enhanced marketing capabilities, the Company has achieved its single largest order in its history.

Tricom's pilot project makes use of the inherent domain knowledge of its subsidiary, and at the same time utilizes services of senior experienced personnel adept to designing new processes, handling large volumes, foreseeing contingencies requirements, etc. While the healthcare processing centre in Mumbai is headed by its existing senior personnel, a complete back-up centre is developed at its Chennai centre. The project in the medical coding space involves the assigning of codes to the diagnosis and other medical procedures; which

helps in financial reimbursement from insurance companies. Coders convert the physician's notes into codes that are utilized by insurance providers in compensating the health care providers. It also helps in attaining judgment at a glance.

In addition to the above, Tricom is geared to offer medical billing and revenue cycle management healthcare services which facilitates the handling of various processes involved in services related to medical care.

With the increasing visibility, credibility of Indian service providers and strategic integration of operations in healthcare BPO space, Tricom believes that off shoring in this segment will pick up going forward.



FROM THE  
**MANAGING  
DIRECTOR'S**  
DESK



*Dear Shareholders,*

At Tricom India, the year 2009-10 was largely a year of consolidation and integration of businesses, operations and manpower. At Tricom, our commitment to enhance customer satisfaction by consistently providing services that reflect quality, reliability, speed, versatility, confidentiality and adaptability remains strong and continues to drive all our efforts.

The consolidated turnover of the Company increased by 6% to Rs 9021 lakhs during the 12 months ended March 31, 2010 as compared to Rs 8526 lakhs in the previous fiscal. Net Profit After Tax was Rs 1470 lakhs for the year under review, a marginal increase of 4% over the previous fiscal.

**Operational highlights**

Operating in niche business segments has always been your

Company's focus and strength. Healthcare outsourcing represents one such growing business segment.

Healthcare spending in the U.S. is fast expanding and represents a compelling opportunity for the outsourcing industry. Spiralling healthcare costs coupled with the increasing regulatory requirements are expected to result in increased administrative costs and this in turn will result in pressures to contain costs. It is estimated that the widespread adoption of electronic health record systems in North America and Europe will result in significant e-health record spending in these regions.

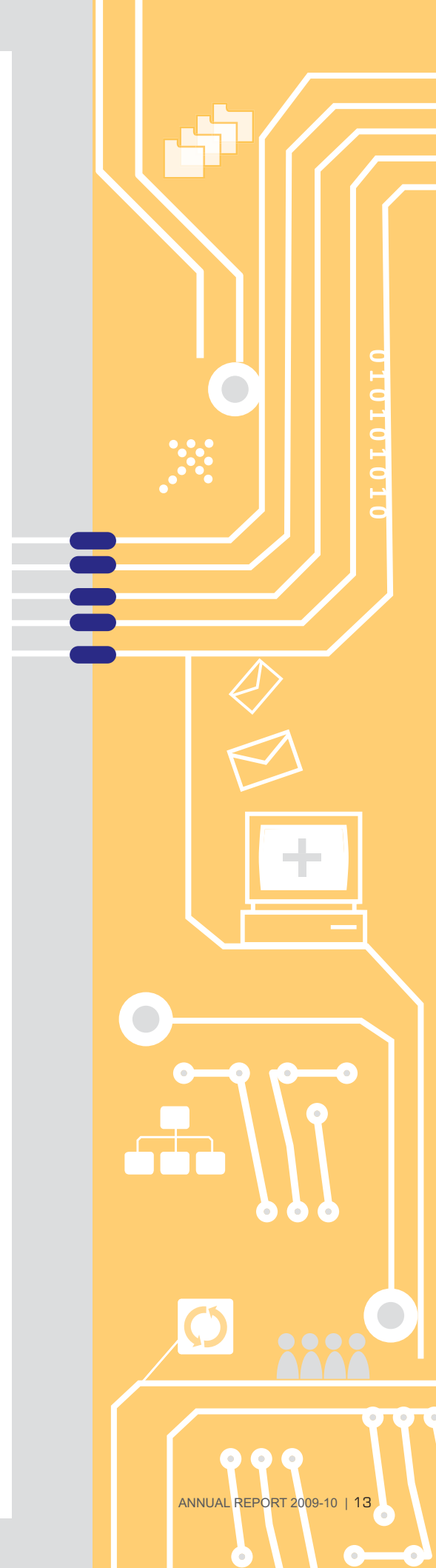
At Tricom, our healthcare outsourcing solutions provide business processing support and services in the areas of Medical Billing and Claim Processing to healthcare providers and insurance carriers. Our solutions encompass a comprehensive suite of platform-enabled back-office services that span the healthcare revenue cycle workflow commencing from patient admission and charge capture to claims processing and receivables management.

The solutions developed by Tricom are focused on increasing the operating margins and cash flow generation of healthcare clients by deploying most efficient business processes, tried and tested proprietary re-engineering metho-

dologies and technology enabled automation.

Having acquired Tricom Infotech Solutions Ltd. (formerly Godrej Global Solutions Ltd.), a well known name in the Healthcare Outsourcing Industry and formerly a subsidiary of Godrej Industries Ltd., we have utilized our strong domain knowledge, cutting edge expertise in Information Technology Enabled Services (ITeS), best practices in software development and application delivery to develop precise solutions to execute the new, large healthcare order acquired during the year.

**“ HAVING EARLIER ACQUIRED TRICOM INFOTECH SOLUTIONS LTD. (FORMERLY GODREJ GLOBAL SOLUTIONS LTD.), WE UTILISED OUR STRONG DOMAIN KNOWLEDGE, CUTTING EDGE EXPERTISE IN SOFTWARE DEVELOPMENT, BEST PRACTICES IN ITeS SERVICES AND APPLICATION DELIVERY TO DEVELOP PRECISE SOLUTIONS TO EXECUTE THE NEWLY ACQUIRED, USD 10 MILLION HEALTHCARE PROJECT. THIS PROJECT SPANNING FIVE YEARS IS THE SINGLE LARGEST ORDER IN THE HISTORY OF TRICOM. ”**





**WITH STRONG BUSINESS FUNDAMENTALS IN PLACE, WE ARE CONFIDENT THAT THE YEAR 2010-11 WILL BE A YEAR OF CONTINUED GROWTH AND PROGRESS.**



With a total order size of USD 10 million spanning over five years, this healthcare order is the single largest one in the history of Tricom.

Earlier, looking at the large potential in the healthcare business segment, the Company had appointed senior level marketing personnel. The additional marketing thrust has helped give a new growth momentum to the healthcare business. We expect revenue of USD 3 million to materialize this year (2010-11) from the healthcare business alone. We have set up an exclusive, modern facility in Mumbai for the execution of this order.

**OTHER BUSINESS DEVELOPMENTS**

During the year 2009-10, we secured a new order worth USD 2 million in the Title Plant business. The business by virtue of the utility it offers, continues to grow. Title Insurance protects lenders or borrowers against losses arising from problems or defects with the ownership or, legal title of a property.

In the e-Publishing business segment, the number of newspapers we are servicing has

increased by 25%. Our e-publishing services continue to offer cost effectiveness, quick turnaround, and state-of-the-art electronic data conversion, ranging from simple to high complexity jobs.

These orders are an endorsement of the consistent quality and timely delivery of services, rendered by Tricom.

**HUMAN RESOURCES**

It is our endeavour to achieve customers' delight and consistently surpass their expectations.

We have built this edifice called Tricom on principles of integrity, transparency, fairness while always pursuing excellence. These values continue to guide us and form the bedrock of our businesses. As we combine domain expertise, process skills and technology to deliver world-class process outsourcing solutions, we aspire to ensure that the same job is done systematically, swiftly and in a more cost-effective manner. And it is people as much as technology that plays an important role in achieving the desired organizational goals. As we integrated businesses, it provided us the right opportunity to re-emphasize this focus and on

communicating our core mission and values through well-integrated HR processes.

**FUTURE OUTLOOK**

With strong business fundamentals in place, we are confident that the year 2010-11 will be a year of continued growth and progress.

The domestic BPO market is expected to grow at 25% in 2010 to touch USD 1.2 billion (around Rs 5400 crore) by 2011, according to a study by Gartner. The Indian economy is already on the high growth trajectory with robust domestic consumption and rising investment.

I take this opportunity to express my sincere appreciation to our employees for their commitment and hard work during the year. I also place on record our gratitude to all stakeholders and our esteemed bankers who have supported our growth plans.

Thank you for your time and continued support.

**Chetan Kothari**  
Managing Director

# FINANCIALS

PARTICULARS	(Consolidated)				(Rs.in Lacs)
	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue	2,773.00	3,606.54	5,139.91	8,558.59	9,067.87
Operating Profit (PBIDT)	1,110.61	1,554.35	1,946.25	2,730.79	3,067.63
Profit after Tax	949.85	1,485.43	1,582.87	1,414.32	1,469.83
Cash Profit after Tax	1,086.80	1,663.42	1,791.23	2,133.95	2,104.21
Share Capital	452.37	1,161.83	1,165.63	1,168.01	1,168.01
Reserves & Surplus	1,470.44	4,227.69	5,440.50	6,414.17	8,068.90
Net Worth	1,922.81	5,389.52	6,606.13	7,582.18	9,236.91
Loan Funds	813.17	783.53	2,854.33	7,239.92	8,006.31
Gross Fixed Assets	1,275.92	1,519.54	3,149.75	6,993.32	9,342.64
Net Fixed Assets	930.23	1,005.54	2,432.44	5,420.59	7,462.17
Current Ratio	6.28	10.49	8.87	5.38	5.93
Net Profit Margin Ratio(%)	34.25	41.19	30.80	16.53	16.21
Basic EPS	14.78	18.19	13.59	2.43	2.52
Diluted EPS	14.58	18.10	13.59	2.43	2.52
Cash Earning Per Share	16.91	20.37	15.37	3.65	3.60
Return on Average Net Worth (%)	62.97	40.63	26.39	19.94	17.48

Note: The figures have been regrouped wherever necessary.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

BALDEV BOOLANI	-	CHAIRMAN
CHETAN KOTHARI	-	MANAGING DIRECTOR
JAYANT TANKSALE	-	EXECUTIVE DIRECTOR - OPERATIONS
ANIL BAKSHI	-	DIRECTOR
HIREN KOTHARI	-	DIRECTOR
SHAILESH BATHIYA*	-	DIRECTOR*
VIJAY BHATIA	-	DIRECTOR
GAUTAM BERRY	-	DIRECTOR
HARIOM TULSYAN	-	DIRECTOR
RASIK CHATURVEDI**	-	DIRECTOR**

### OPERATING COMMITTEE

CHETAN KOTHARI	-	MANAGING DIRECTOR
JAYANT TANKSALE	-	EXECUTIVE DIRECTOR - OPERATIONS

### COMPANY SECRETARY

G. T. SHENOY

### BANKERS

STATE BANK OF INDIA  
ICICI BANK LIMITED

### AUDITORS

J. L. BHATT & CO.  
CHARTERED ACCOUNTANTS

### REGISTERED OFFICE

TRICOM HOUSE,  
GANDHI ESTATE,  
ANDHERI KURLA ROAD,  
SAFED POOL, ANDHERI (EAST),  
MUMBAI - 400 072. INDIA.  
Website: [www.tricominfo.com](http://www.tricominfo.com)

### REGISTRAR & TRANSFER AGENT

M/s SHAREX DYNAMIC (INDIA) PVT. LTD.,  
UNIT NO. 1, LUTHRA IND. PREMISES,  
ANDHERI KURLA ROAD,  
SAFED POOL, ANDHERI (EAST),  
MUMBAI 400 072.

\* Ceases to be a Director w.e.f. 29th May, 2010

\*\* Appointed as a Director w.e.f. 30th January, 2010

## DIRECTORS' REPORT

### Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Consolidated		Standalone	
	2010	2009	2010	2009
Total Income from Operations	9020.69	8526.28	5472.07	4536.84
Profit before Interest, Depreciation and Taxes	3067.63	2730.79	2772.06	2431.87
Interest	941.59	615.60	789.37	518.84
Depreciation	480.14	531.21	368.28	319.28
Profit before Taxation	1645.90	1583.98	1614.41	1593.75
Provisions for Taxes	21.83	(21.42)	25.50	(23.57)
Exceptional Items	154.25	188.43	154.25	188.86
Prior Period Items	-	2.66	-	0.43
Profit after Taxes	1469.82	1414.31	1434.66	1428.46
Balance brought forward	4213.51	2935.85	4163.96	2872.15
Appropriations	263.98	136.65	263.98	136.65
Reserves carried to Balance Sheet	5419.35	4213.51	5434.64	4163.96
Earnings per share	2.52	2.43	2.46	2.45

### OPERATIONAL PERFORMANCE

The consolidated income from operations increased to Rs.9020.60 Lacs from Rs.8526.28 Lacs a growth of 5.80% over the previous financial year. The consolidated profit after tax has increased to Rs 1469.83 Lacs from Rs.1414.33 Lacs over the previous financial year.

The standalone total income increased from Rs.4536.84 Lacs to Rs.5472.07 Lacs , a growth of 21% over the previous financial year. The standalone profit after tax has increased from 1428.46 Lacs to Rs. 1434.66 Lacs over the previous financial year. The stagnation in net profit despite increase in total income during the year as compared to the previous year is attributable to the exceptional loss of Rs.596.74 Lacs on account of foreign currency exchange rate fluctuations and increase in the interest expenses.

The financial year was a year of consolidation of the acquisitions made during the previous year and the Company was able to maintain the growth momentum despite dismal export market scenario and increasing financial cost.

Your Company is providing services for the back office work to overseas customers in different verticals such as Healthcare, Litigation Support, Title Insurance, Indexing, E-Publishing and Software Development. Considering the market potential for the existing services which your

Company is providing, your Company is in the process of augmenting resources for long term growth, both in operations and marketing. Your Company is also providing services for prestigious set of clients in the government and public enterprises in sectors such as Finance and Banking, IT & Software, Legal, Title Insurance, General Insurance, Pharmaceutical and Logistics.

Your Company's and its subsidiaries infrastructure consists of about 1,00,000 sq. ft. spread across 8 locations in India and USA.

### DIVIDEND

The Directors have recommended a dividend @ 12% (i.e. Rs.0.24/-) per equity share of face value of Rs.2/- each on paid up equity share capital of the Company for the financial year 2009-10. The dividend on Equity Shares, if approved by the shareholders at the 18<sup>th</sup> Annual General Meeting, would amount to Rs. 163.98 Lacs (including dividend tax of Rs. 23.82 Lacs) and will be paid to those members whose names appear on the Register of Members of the Company as on 30<sup>th</sup> September, 2010.

### EMPLOYEES' STOCK OPTION SCHEME

The Company has not granted any options to subscribe to the equity shares of the Company to any of the employees of the Company under "TIL Employee Stock Option Scheme-2004" (TIL ESOS). There were no outstanding options to be exercised during the year pursuant to the previous Stock Options Scheme of the Company.

### FIXED DEPOSITS

Total amount of deposits outstanding as on March 31, 2010 was Rs. 95 Lacs. There were no unclaimed deposits as on March 31, 2010.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- That appropriate accounting policies have been selected and applied consistently, and that the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at the end of the financial year and of the profit of your Company for the said period;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

- d. That the annual accounts have been prepared on a going concern basis.

### **SUBSIDIARY COMPANIES**

As on 31<sup>st</sup> March, 2010, the Company has the following subsidiaries:

#### **Domestic subsidiaries**

Tricom Infotech Solutions Limited,

#### **Foreign subsidiaries**

- o Tricom Document Management, Inc., USA.
- o Pacific Data Centers, Inc., USA.
- o Tricom Infotech Solutions, Inc., USA.
- o Tricom Infotech Solutions (Cyprus) Limited
- o Tricom Data Services Inc.; USA.
- o Tricom Litigation Coding Services, Inc. USA,
- o Tricom Software Services Inc. USA.
- o Tricom Data Discovery Services, Inc. USA.

### **PARTICULARS IN TERMS OF SECTION 212 OF THE COMPANIES ACT**

In terms of the approval received from the Central Government vide their letter dated 25<sup>th</sup> August, 2010 under Section 212(B) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries have not been attached with the Balance Sheet of the Company. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements of the Company and its subsidiaries for the year ended March 31, 2010, together with reports of Auditors thereon and the statement pursuant to Section 212 of the Companies Act, 1956, are attached. The financial statements of subsidiaries will be available on a request made by any member of the Company and will also be available for inspection by any member at the registered/head office of the Company and that of the subsidiary concerned.

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Reports on Corporate Governance and Management Discussion and Analysis, Managing Director's & Auditors

Certificate as stipulated under Clause 49 of the Listing Agreement are separately given and form part of this Annual Report.

### **DIRECTORS**

The Board has approved the appointment of Mr. Chetan Kothari as Managing Director of the Company subject to shareholders approval with effect from 4<sup>th</sup> December, 2009.

Mr. Rasik Chaturvedi, was appointed as Additional Director of the Company w.e.f 30<sup>th</sup> January, 2010. Mr. Chaturvedi will hold office till the date of the forthcoming Annual General Meeting and a notice has been received from a Members proposing the candidature of Mr. Chaturvedi for being appointed a Director of the Company.

Further, Mr. Shailesh Bathiya, Director has resigned w.e.f. 29<sup>th</sup> May, 2010. The Board places on record its appreciation for the valuable services rendered by Mr. Shailesh Bathiya during his tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hireen Kothari, Mr. Jayant Tanksale & Mr. Baldev Boolani, Directors of the Company will retire by rotation at the forthcoming 18<sup>th</sup> Annual General Meeting and being eligible, offer themselves for re-appointment.

### **AUDITORS**

M/s. J. L. Bhatt & Co., Chartered Accountants, Mumbai, retire as auditors and have given their consent for re-appointment. The shareholders are requested to elect auditors for the current year and to authorize your Directors to fix their remuneration as per item No. 04 of the Notice. As required under the provisions of Section 224 (1B) of the Companies Act, 1956, your Company has obtained written confirmation from the above auditors proposed to be re-appointed that the re-appointment, if made, would be in conformity with in the limits specified in the said Section.

### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 is as follows:

#### **A. CONSERVATION OF ENERGY**

The operations of your Company are not energy-intensive. However, adequate measures have been taken to ensure that there is optimum utilization of energy with no wastage, as far as possible.



## **B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT**

Your Company develops software to provide efficient Business Process Outsourcing services to its customers. The systems team of your Company does continuous research and development for upgradation of the software, in order to provide better services to its clientele. Your Company also develops software products to process the data required for providing services to its customers.

Your Company takes efforts to adapt latest technology and techniques, which helps it to be in competition.

## **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earnings of your Company during the year under review amounted to Rs. 5472.07 Lacs. The foreign exchange outflow during the year was Rs. 1015.26 Lacs.

## **HUMAN RESOURCES**

Your Company regards human capital as the most valuable asset. At the end of March, 2010, your Company had 1591 employees as against 2264 as at end of March, 2009.

The information as per Section 217(2A) of the Companies Act, 1956 ('Act'), read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders of your Company excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company at the Registered Office.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation extended by the banks and Government agencies giving support to your company. Your Directors also thank all the shareholders for their continued support and all the employees and vendors of your company for their valuable services during the year.

For and on behalf of the Board,

PLACE: MUMBAI  
DATE : 25<sup>th</sup> August, 2010

**B.L.BOOLANI**  
CHAIRMAN

## MANAGEMENT DISCUSSION AND ANALYSIS

### Macro economic overview

While financial year 2009-10 commenced on a subdued note, India's economy grew at an unexpected pace in the six months ended March 2010, fuelled mainly by the government and consumer spending. The government has estimated country's economy to grow at 8.5 percent in the year 2010-11, on the prospects of better farm output and global recovery.

Economists are also optimistic about steady growth prospects across the globe. It is expected that the global GDP growth will touch 4.2 percent this year and 4.0 percent in 2011.

### Industry structure, overview & developments

After witnessing a slowdown in demand over the last year, the domestic IT and ITeS market is expected to revive in 2010 and witness a growth rate of 15% to touch the Rs 1,20,666 crores revenue mark. It is estimated that the industry grew at around 5.4% in 2009. The domestic ITeS market is expected to grow at 40.8% to report revenues of Rs 9,638 crores. (Source IDC, FE January 1, 2010).

### Market segmentation of Indian IT and ITeS

(Rs in crores)

Market segment	2009	2010*	Growth 2009 over 2008	Growth 2010 over 2009
IT market	95,268	1,07,655	2.8%	13.0%
ITeS market	9,638	13,011	40.8%	35.0%
IT-ITeS market	1,04,906	1,20,666	5.4%	15.0%

(\*Projected)

India's capability to maintain cost competitiveness and large workforce with required skill sets would be the favorable factors driving growth in the sector. The key driver for growth will remain the ability to solve complex business problems of clients.

The anti-outsourcing views in US may have struck a chord with middle-class Americans, but many of the large US corporations, which have large outsourcing operations in India, have given a cold shoulder to the anti-outsourcing policies. The US government's decision in February, 2010 to offer an annual tax shield of USD 5,000 per employee per year to companies that keep jobs in US had invited criticism from several quarters, most notably from the USD 60 billion Indian software and outsourcing industry which depends on the US market for 65% of its revenues.

However, the industry believes that the inherent cost saving benefits are too large to be ignored hence, the outsourcing trend is irreversible. Offshoring still provides a huge cost and quality arbitrage opportunity, with about 40% savings,

and it is generally believed that companies are not likely to give up offshoring strategy due to such policies.

### Advantages of outsourcing

Outsourcing to countries such as India gives international companies access to cost-effective services. The same services with the same level of quality are offered in India for a much lower cost. This cost-advantage has increased the number of services that are being offered to India. Services such as call center services, medical billing, etc. can help companies save significant amount of the total costs.

Getting access to high-quality services at a cost-effective price is the biggest benefit while outsourcing. Another benefit of outsourcing is a substantial increase in profits, productivity, level of quality, business value, business performance and much more. Outsourcing can help visibly see an increase in almost every aspect of the business. It enables saving of time, effort, infrastructure and manpower. Since Companies don't have to invest in infrastructure, they save on making unnecessary fixed investments. Outsourcing removes the burden of changing or maintaining infrastructure which results in saving of capital expenditure. Outsourcing reduces training costs, because companies do not have to invest in manpower. All of which help bring about an increase in the revenue. Further, companies don't need to invest in expensive software and technologies. And at the same, outsourcing enables companies access expert and skilled services.

The outsourcing industry has evolved from not only undertaking routine functions, which are not related to customer's core competencies, but are now increasingly offering specialized solutions in customer's core businesses – solutions such as R&D, product design, engineering, designing and development, legal interpretations etc. Another benefit of outsourcing to customers is the ability to focus and offer high-value, specialized and skilled services as their routine jobs and processes are addressed through outsourcing.

This benefit of outsourcing has been the key reason why outsourcing as an industry has witnessed phenomenal growth and acceptance across the world. This business, which did not exist a decade ago, is today a multi-million dollar industry and continues to grow.

The Indian industry services customers in more than 80 countries. Markets like West Asia and Latin America are still largely underpenetrated.

Fathom the major advantages to European Union (EU), which vindicates why the outsourcing industry will continue to expand.

- The cost of an engineer in India is only about 20 to 40 % of the comparable cost in the EU.

- General, administrative and selling costs amount to around 80 % of comparable costs in the EU.
- India's average offshore billing rate is considerably lower than the EU's.
- More than 85 global SEI-CMM level 5 firms have presence in India.
- India's service offerings have evolved to high-end integrated IT solutions.

The demand for domestic BPO services in India is increasing rapidly, with niche verticals such as healthcare and retail fast gaining traction, apart from the traditional verticals of banking, financial services and manufacturing. Domestic IT BPO spending grew by 40 % in 2008-09. The government is taking up e-governance initiatives and increasing its IT spend/outlay, with an allocation of more than USD 400 million for the Unique Identification Authority of India (UIDAI) in 2010-11.

#### India advantage

The Indian IT & ITeS industry is primarily concentrated in seven clusters—Bengaluru, NCR-Delhi, Hyderabad, Chennai, Pune, Mumbai and Kolkata.

India has led the way in providing outsourcing services to corporations across the globe for many years. Outsourcing to India is today identified as the global principal outsourcing solution. India has a large pool of english-speaking, educated, trained and technically skilled manpower base.

#### The value proposition offered by India can be gauged from the following:

- Dedicated, cost-effective, quality real estate in the form of Software Technology Parks of India (STPI). STPI infrastructure available across the country, demonstrating government's support to the sector. Most IT companies commenced their operations in India in Tier I cities and have subsequently expanded their operations to Tier II cities. The emergence of Tier III cities such as Chandigarh, Mysore, Nashik has played a key role in the expansion of the ITeS-BPO segment.
- High quality telecom infrastructure, with cost of connectivity declining rapidly and service levels improving significantly.
- Real estate, air and road connectivity, as well as hospitality, registering impressive growth and providing supportive business environment to IT sector.
- Infrastructure availability set to complement industry growth, with the government working towards capacity building.

- India's young demographic profile and academic infrastructure, strengthening its potential to cater to the growing demand for IT-ITeS. Every year, 675,000 technical graduates qualify in the country, of which 400,000 are engineers.
- An estimated additional demand for 0.4 million IT and 1.4 million ITeS professionals in 2009-2010. According to Nasscom Strategic Review 2010, the industry has already demonstrated resilience in the midst of a global economic slowdown, with estimation of 90,000 jobs being generated in 2010-11. This means the sector will provide direct employment to 2.3 million and indirect employment to 8.2 million.
- Outsourcing to countries such as India has a time zone advantage.
- The conscious quality values, use of contemporary technology and application have ensured that India's outsourcing is far superior to other nations that offer outsourcing solutions.

#### Threats, Risks and Concerns

##### US backlash against the industry

Local pressure in US against the Indian outsourcing industry is mainly an outcome of the slowdown and job losses. It is a known fact that outsourcing enhances productivity and profitability. With improving economic scenario, gradual improvement of employment and better retirement security prospects, industry backlash is expected to reduce.

##### Shortage of manpower

Shortage of trained professionals can lead to the inability to meet demand. The Company has in-house development programs and has been successful in retaining key managerial talent. Regular attrition rate for the Company is below the industry standards. The Company's locations provide it access to large, young manpower.

##### Integration of acquired entities

Failure to integrate acquired entities into Tricom's culture can pose a risk, going forward. This could also have an impact on the quality of the deliverables and client's confidence. However, this process has successfully been completed and clear result of the integration is already visible.

##### Currency fluctuation

The Company's revenue accrues in US dollars. Any adverse movement of the USD vs. INR could impact the Company's top line. The Company has established presence even in European countries and is also considering entry into the domestic market.

### **Competition from large players**

Major IT players in India are involved in delivery of software solutions, maintenance services, focused BPO operations. Very few large players have ventured into this field. And their entry into this field of servicing is limited. Consolidation among fragmented smaller players offering servicing in limited verticals of presence may pose a threat.

### **Data security**

Data security breach is a concern to outsourcing companies. Tricom invests in both physical data security, high-end technology and various software tools, including anti-virus, antispyware, network access control, stringent user ID/password controls, anti-spam, etc. The Company has adequate security checks at personnel / manpower level, both at recruitment stage and ongoing stage. Bearing in mind the importance this plays, the Company reviews measures on a going basis to coherently analyze risks and develop strong counter measures.

Further, at an industry level, both the IT industry and the government had announced a slew of measures, including the passing of the IT Act and setting up of Data Security Council of India (DSCI).

As an ISO 9001:2008-certified company, TRICOM has implemented and maintains a quality management system to ensure its ability to consistently provide products and services that satisfy customers' needs and regulatory requirements. This system focuses on customer satisfaction and includes guidelines for continued improvement, consistency in products and services, and compliance with regulatory and industry requirements. ISO 9001:2008 is the internationally recognized quality management system that insures that a company's customers can count on a consistent level of quality products and services. The system documents all of the important steps needed to deliver that quality, from the initial design stage all the way through final delivery and support of the product.

The ISO 27001:2005 certifications demonstrate the level of importance placed by the company on security, and confirms the company's ability to maintain the confidentiality of the entrusted data. ISO 27001:2005 is a standard that establishes the requirements for an information security management system (ISMS). The certificate outlines the rules for defining, establishing, implementing, operating, reviewing, monitoring, maintaining and improving a documented Information Security Management System within the context of an organization's overall business risks.

### **Competition from other countries**

Countries like Philippines, Brazil, and Mexico are increasing their presence in this space, leveraging their comfort with

the english language. Yet some of these countries don't have skilled manpower like India. Though China is trying to make an entry in a large way, it faces the english language barrier. India has an advantage in terms of language, maturity, scale, robust processes and customer confidence. Focus on offering value-added services, building deep customer relationships and leveraging innovation will play an important role.

### **Risk management**

The company has a robust and well-structured risk management system. Effective risk management includes both risk identification and mitigation. Top management is involved in the risk identification. The risks are further mapped in terms of mitigation action to be taken and the people who are responsible for taking such actions. While there is a systematic risk identification and mitigation framework in place, there are certain business risks which are external to the Company and over which the Company has very little control. Some of these include a general downturn in economic conditions, currency movement and change in regulatory frameworks.

### **Future outlook**

The revival in global economy has given a booster shot to the IT-ITeS industry. Over the past few months, there has been a significant uptick in the business pipeline, and companies are beginning to invest in anticipation of recovery. This has translated into companies announcing plans to expand overseas. Companies are exploring new growth engines and new geographies, and there is a clear need to be close to end-customers.

Expansion, moving forward, is visible across all categories – IT services, BPO and R&D. The industry expects the forthcoming year to revolve around growth and being closer to customers. Indian outsourcing, it is estimated, claims 51 % of the total outsourcing market globally and the industry remains confident of capturing a larger share of the balance. According to Nasscom, it means that the Indian IT-BPO firms have their eyes on USD 225 billion (over Rs 10-Lacs crore) market by 2020. A steady rise of business is visible even in the domestic market. It is estimated that the domestic market has the potential to grow to USD 50 billion (Rs 2.33 Lacs crore) by 2020.

### **Human resources**

The company considers human resources as an important asset. Tricom's success lies in its ability to recruit, train and retain high quality professionals. We believe that development of people is essential for the growth of the organization. The Company believes in inducting young employees, training, grooming and developing them.

Tricom regularly reviews its talent pool, works out compensation and benefits based on market, merit and special skill sets. The Company takes adequate measures to enhance the skills and competence of its human resources. Tricom's sustained efforts through objective-setting programs, training seminars, enrolling to certification programs that initiate team work enables all-round development and results in continued focus. As on 31st March 2010, Tricom (India), the total number of employees are 1591

#### **Internal control systems**

The Company has appointed an audit company which oversees the internal control systems and procedures of the company's financial operating processes and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible. The Company has appointed an internal auditor to ensure that its control systems are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regards to recording and providing reliable financial and operational information,

complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

These have been designed to provide reasonable assurance with regard to recording and complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

#### **Cautionary statement**

Certain statements in the Management Discussion Analysis contain the views and analysis of the management regarding the Company and industry. These are in context of the environment and in relation to the parameters such as the Indian economy, the global economy and forecast regarding the industry which are available from NASSCOM. This report also contains forward looking statements which are based on certain assumptions and expectations of future events. We shall not be liable for any loss or damage that may arise as a result of any action taken based on the said.

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance means achievement of excellence in business by increasing the shareholders value in the long run. This aim can be achieved by keeping in mind the needs and interests of all its stakeholders and comply with all the rules, regulations and laws. Corporate Governance lays strong emphasis on transparency, accountability and integrity. Corporate Governance and also Audit disclosures and reporting in Tricom India Limited is practiced through a well structures delegation in organizational and regulatory framework involving the Board of Directors, Committee of the Board, the Managing Director and the Executive Director.

#### 1. BOARD OF DIRECTORS

##### a. Composition:

The Board of Directors consists of professionals drawn from diverse fields. The Chairman of the Board is an Independent and Non Executive Director. The majority of Directors on the Board are Non Executive Directors. The day-to-day management is conducted by the Managing Director with the help of the Executive Director. The office of the Managing Director is subject to the supervision and control of the Board of Directors of the Company. As on March 31, 2010, the Board comprises of 10 Directors whose composition is given below:

Sr. No.	Name of the Director	Category of Directorship	Directorship in other Companies(*)	No. of Committee positions held (Other than Tricom India Limited)	
				Chairman	Member
1.	Mr. Chetan Kothari	Promoter, Executive	3	2	3
2.	Mr. Hiren Kothari	Promoter, Non-Executive	2	1	3
3.	Mr. Baldev Boolani	Independent, Non-Executive	3	-	-
4.	Mr. Shailesh Bathiya**	Independent, Non-Executive	2	1	3
5.	Mr. Jayant Tanksale	Non-Promoter, Executive	2	1	3
6.	Mr. Gautam Berry	Independent, Non-Executive	-	-	-
7.	Mr. Vijay Bhatia	Non-Independent, Non-Executive	1	1	1
8.	Mr. Hariom Tulsian	Independent, Non-Executive	-	-	-
9.	Mr. Anil Bakshi	Non-Promoter, Non Executive	1	-	-
10.	Mr. Rasik Chaturvedi @	Independent, Non-Executive	-	-	1

None of the Directors on the Board is a Member of more than ten committees and Chairman of more than five committees across all Companies in which they are Directors.

Only Memberships of Audit Committee and Shareholders' & Investors' Grievance Committees are considered.

\*Excludes Alternate Directorships, Directorship in Indian Private Limited Companies and Foreign Companies and Membership of Managing Committees of various bodies.

\*\* Ceases to be a director from 29<sup>th</sup> May, 2010.

@ appointed as a director w.e.f 30<sup>th</sup> January,2010.

##### b. Details of Meetings Held:

During the financial year 2009-10 seven Board Meetings were held on 30<sup>th</sup> May, 2009, 24<sup>th</sup> June, 2009, 31<sup>st</sup> July, 2009, 25<sup>th</sup> August, 2009, 30<sup>th</sup> September, 2009, 31<sup>st</sup> October, 2009 and 30<sup>th</sup> January, 2010. The 17<sup>th</sup> Annual General Meeting (AGM) was held on 30<sup>th</sup> September, 2009. The attendance of the Directors as required by the Listing Agreement at these meetings are given below:

Name of the Director	Designation	Attendance in Board Meetings during 2009-10	Presence in last Annual General Meeting
Mr. Chetan Kothari	Managing Director	7	Yes
Mr. Baldev Boolani	Chairman	7	Yes
Mr. Jayant Tanksale	Executive Director- Operations	7	Yes

Name of the Director	Designation	Attendance in Board Meetings during 2009-10	Presence in last Annual General Meeting
Mr. Hiren Kothari	Director	7	Yes
Mr. Anil Bakshi	Director	5	Yes
Mr. Shailesh Bathiya*	Director	NIL	No
Mr. Gautam Berry	Director	5	Yes
Mr. Vijay Bhatia	Director	7	Yes
Mr. Hariom Tulsyan	Director	6	Yes
Mr. Rasik Chaturvedi@	Director	NIL	No

\* Ceases to be a director from 29<sup>th</sup> May, 2010.

@ Appointed as a director w.e.f 30<sup>th</sup> January, 2010.

#### c. Board Procedure:

A detailed agenda is sent to each Director in advance of Board Meetings. The Board members are free to recommend inclusion of any matter in the agenda for discussion. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting of the overall performance of the Company.

## 2. AUDIT COMMITTEE

#### a. Composition:

The Audit Committee comprises of Three Directors, all of whom are Non Executive and Independent Directors except one Director who is Promoter and Executive Director. All the Directors possess knowledge of corporate finance, accounts and company law. An Independent, Non Executive Director acts as Chairman of the Committee Meetings. The Statutory Auditors are also invited to the meetings. The quorum of the Audit Committee is two members. The Company Secretary acts as Secretary to the Committee.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The composition of the Audit Committee is as follows:

Name of the Director	Position	Category
Mr. Baldev Boolani	Chairman	Independent, Non Executive
Mr. Chetan Kothari	Member	Promoter, Executive
Mr. Shailesh Bathiya (*)	Member	Independent, Non Executive
Mr. Rasik Chaturvedi (@)	Member	Independent, Non Executive

\*Ceased to be a Member of the Audit Committee from 30<sup>th</sup> January, 2010.

@Appointed as a member of the Audit Committee on 30<sup>th</sup> January, 2010.

#### b. Details of Meetings held:

During the year, five Audit Committee meetings were held on 4<sup>th</sup> May, 2009, 23<sup>rd</sup> June, 2009, 30<sup>th</sup> July, 2009, 30<sup>th</sup> October, 2009 and 29<sup>th</sup> January, 2010.

#### c. Terms of Reference:

The terms of reference of the Audit Committee are extensive and include all that is mandated in Clause 49 (II) of the Listing Agreement with Stock Exchanges and Section 292A of the Companies Act, 1956. The Committee oversees the financial reporting processes, reviewing the financial results including the quarterly results, major accounting entries, accounting policies and practices, fixation of auditors remuneration, discussions with internal auditors on any significant findings and follow up thereon, statement of related party transactions. The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended 31<sup>st</sup> March, 2010.

### 3. REMUNERATION COMMITTEE

#### a. Composition:

The Remuneration Committee consists of four directors, whose composition is given below:

Name of the Director	Position	Category
Mr. Baldev Boolani	Chairman	Independent, Non Executive
Mr. Hiren Kothari	Member	Promoter, Non Executive
Mr. Shailesh Bathiya(*)	Member	Independent, Non Executive
Mr. Vijay Bhatia	Member	Non Independent, Non Executive

\*Ceased to be a Member of the Remuneration Committee from 29<sup>th</sup> May, 2010.

#### b. Details of Meetings Held:

The Committee had a meeting on 29<sup>th</sup> January, 2010 to review & recommend the remuneration payable to the Managing Director/Executive Director of the Company.

#### c. Terms of Reference:

The Committee reviews and recommends the payment of annual salaries, commission, service agreements and other employment conditions of Managing / Executive Director. It also reviews the HR initiatives and increment policy.

#### d. Remuneration to the Executive Director:

The remuneration paid to Executive Director is recommended by the Remuneration Committee and approved by the Board of Directors, in the Board meeting and subject to the subsequent approval by the shareholders at the General Meeting and such other authorities, if necessary. The remuneration is fixed considering various factors such as qualifications, experience, expertise, prevailing remuneration in the corporate world and the financial position of the Company. The remuneration comprises of basic salary, perquisites and allowances, contribution to provident fund and other funds.

#### e. Remuneration to Non-Executive Directors for the year ended March 31,2010:

Non Executive Directors were paid a sitting fees of Rs. 5,000/- for every Board Meeting and Rs.5,000/- for every Audit Committee attended by them. The Members of the Company have approved payment of remuneration of a sum up to 1% of the Net Profits of the Company calculated as per Section 349 & 350 of the Companies Act, 1956 to the Non-Executive Directors vide resolution on 25<sup>th</sup> September, 2006.

#### f. Remuneration to the Executive Directors for the year ended March 31, 2010:

The total salary, commission and allowance paid to the Managing Director and the Executive Director during the year are given below:

Name of the Director	Designation	Salary (Rs.)	No. of Options Granted	No. of Options Exercised	No. of Options Pending
Mr. Chetan Kothari	Managing Director	30,00,000	Nil	Nil	Nil
Mr. Jayant Tanksale	Executive Director	27,00,000	Nil	Nil	Nil

Period of Contract:

Managing Director - Three Years

Executive Director - Two Years

Notice Period:

The contract may be terminated by either party giving the other party three calendar months notice.

Severance Fees:

Severance Fees would be paid subject to the provisions of Section 318 of the Companies Act, 1956, for the unexpired period or three/two years, whichever is shorter.



**g. Shares held by Non Executive Directors as on March 31, 2010:**

The details of shares held by Non Executive Directors as on 31<sup>st</sup> March, 2010 are given below:

<b>Name of the Director</b>	<b>No. of Equity Shares held as on 31<sup>st</sup> March, 2010.</b>
Mr. Baldev Boolani	50000
Mr. Gautam Berry	Nil
Mr. Vijay Bhatia	820000
Mr. Hiren Kothari	2195660
Mr. Anil Bakshi	54500
Mr. Hariom Tulsyan	Nil
Mr Rasik Chaturvedi	Nil

**4. SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE**

**a. Composition:**

The Shareholders' & Investors' Grievance Committee of the Company comprises of three members chaired by an Independent, Non Executive Director. The composition of the Committee of Directors is as under:

<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>
Mr. Baldev Boolani	Chairman	Independent, Non Executive
Mr. Hiren Kothari	Member	Promoter, Non Executive
Mr. Jayant Tanksale	Member	Non Promoter, Executive

**b. Details of meetings held:**

The Committee held three meetings during the year on 30<sup>th</sup> June, 2009, 31<sup>st</sup> August, 2009 and 15<sup>th</sup> September, 2009 respectively. There were overall 5 complaints received during the Financial Year 2009-10 and all the complaints were disposed off to the satisfaction of the shareholders

**c. Terms of Reference:**

The Committee normally deals with various matters relating to :

- Transfer or transmission of shares.
- Issue of Duplicate, Consolidated and Split Share Certificate.
- Investor grievances and redressal thereof and improvement of Investors Relations
- Attending to the queries /complaints relating to shareholders forwarded by the Stock Exchanges, Securities & Exchange Board of India, Ministry of Corporate Affairs.

The purposes of the committee is to serve the shareholders more expeditiously and at the same time meet the requirement as specified under Clause 49 of the listing agreement of the Stock Exchanges.

**d. Compliance Officer:**

The Board has appointed Mr. G. T. Shenoy, Company Secretary is the Compliance Officer of the Company.

**5. SHAREHOLDER INFORMATION**

**a. Next Annual General Meeting:**

18<sup>th</sup> Annual General Meeting Date: 30<sup>th</sup> September, 2010 ; 11.00 AM at Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012.

**b. Financial Calendar of the Board Meetings to adopt the Accounts for the Financial Year 2010-11(Tentative and subject to changes) :**

Financial year: 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011. For the year ending 31<sup>st</sup> March 2011, quarterly un-audited/annual audited results shall be announced by:

- For the quarter ending 30<sup>th</sup> June, 2010: Mid of August 2010.
- For the quarter ending 30<sup>th</sup> September, 2010: Mid of November 2010.
- For the quarter ending 31<sup>st</sup> December, 2010: Mid of February 2011.
- For the quarter ending 31<sup>st</sup> March, 2011: End of May 2011(Audited).

**c. Book Closure:**

The dates of Book Closure are from 23<sup>rd</sup> Sept., 2010 to 30<sup>th</sup> Sept., 2010 (both days inclusive).

**d. Dividend Payment:**

Dividend of 12 % on the Equity Share Capital amounting to Rs. 0.24/- on each Equity Shares held of Rs. 2/- of the Company will be paid, to the shareholders whose names appear in the Register of Members as on 30<sup>th</sup> Sept., 2010 subject to approval by the shareholders at the 18<sup>th</sup> Annual General Meeting and if approved will be payable, but within the statutory time limit of 30 days and pursuant to the provisions of Article 183 of the Articles of Association of the Company.

**Dividend to be paid in physical form:**

Dividend warrants in respect of shares held in physical form will be posted to the members at their registered addresses within the statutory time limit stipulated under Section 205 A of the Companies Act, 1956.

The Company has also made arrangements for the payment of Dividend through Electronic Clearing Services (ECS) to its members. Under this system the dividend is directly credited to their specific bank accounts. This service ensures direct and safe credit with no chance of loss of warrant, cheque etc. in transit or its fraudulent encashment.

Members holding physical shares who wish to avail Electronic Clearing Services (ECS) are requested to give their Electronic Clearing Services (ECS) mandates in the prescribed form to the companies Registrar and Share Transfer Agent M/s Sharex Dynamic (India) Pvt. Ltd.

**e. Listing on Stock Exchanges:**

The Equity shares of the Company are presently listed at Bombay Stock Exchange Limited, National Stock Exchange Limited, Luxembourg Stock Exchange and Ahmedabad Stock Exchange Limited. The Company is in process for delisting at the Ahmedabad Stock Exchange all the formalities pertaining to the delisting have been already compiled with and the approval for the same is awaited. The equity shares of the Company have been delisted from Jaipur Stock Exchange Limited with effect from 27<sup>th</sup> June, 2009 and Madras Stock Exchanges with effect from 12<sup>th</sup> December, 2009.

**f. Stock Code:**

<b>STOCK EXCHANGE</b>	<b>STOCK CODE</b>
Bombay Stock Exchange Limited	531675
National Stock Exchange Limited	TRICOM
Luxembourg Stock Exchange	Cusip No.896120102
Ahmedabad Stock Exchange Limited	61444

ISIN number: INE771B01024.

### g. General Body Meetings

#### Annual General Meetings

Details of the last three Annual General Meetings of the Company are as furnished below:

Financial Year	AGM No.	Location	Date	Time	No. of Special Resolutions passed
2008-09	17 <sup>th</sup>	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012	30 <sup>th</sup> September, 2009.	11.00 A.M.	02
2007-08	16 <sup>th</sup>	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012	30 <sup>th</sup> September, 2008.	11.00 A.M.	01
2006-07	15 <sup>th</sup>	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012	28 <sup>th</sup> September, 2007.	11.00 A.M.	03

#### Extra Ordinary General Meetings held during the past 3 years: Nil

All the Special Resolutions placed before the shareholders at the Meetings were approved. There were no resolutions during the last AGM requiring approval through Postal ballot. There is no Special resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting of the Company.

### h. Shares in Physical / Demat form as on 31<sup>st</sup> March, 2010:

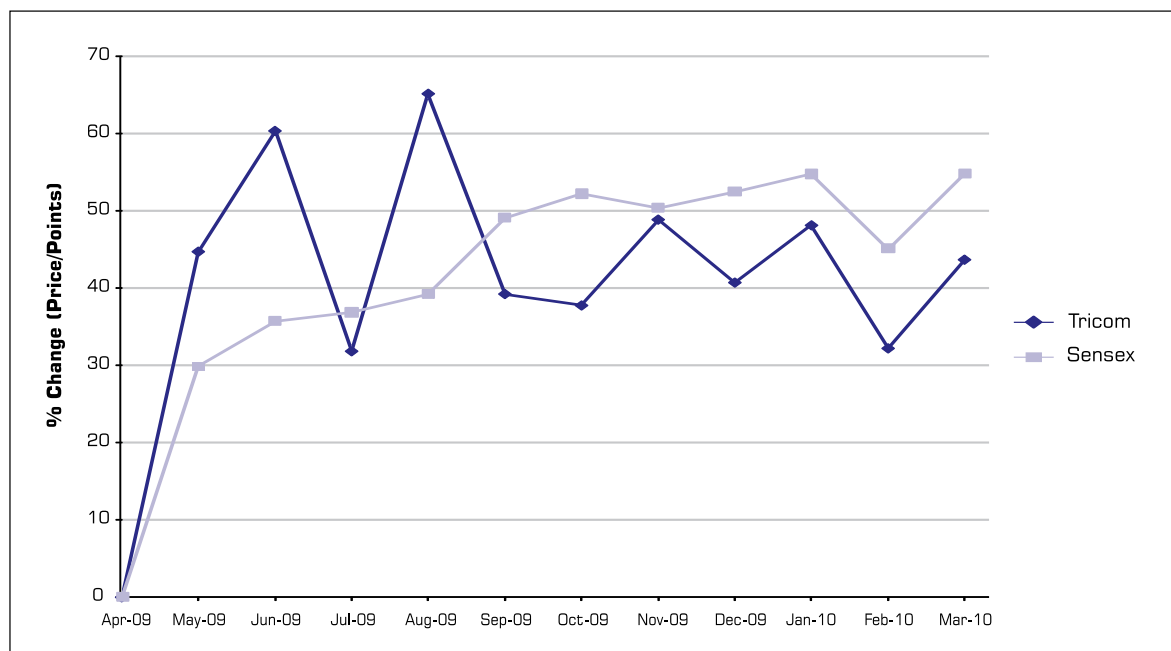
Particulars	No. of Shares Held	% of Shares Held
Physical Form	498150	0.85
Demat Form	57902300	99.15
<b>Total</b>	<b>58400450</b>	<b>100.00</b>

### i. Market Price Data:

Monthly high and low quotations as well as volume of shares traded at Bombay Stock Exchange Limited (BSE), National Stock Exchange Limited (NSE) compared to BSE SENSEX during the financial year 2009-10 were:

Month	BSE			NSE			BSE SENSEX		LSE
	High	Low	No. of Shares	High	Low	No. of Shares	High	Low	GDR's \$
	(Rs.)	(Rs.)		(Rs.)	(Rs.)				
Apr'09	13.5	10.00	4831820	13.40	9.70	3608985	11492.1	9546.29	0.43
May'09	19.54	10.7	4615340	11.00	10.50	3519213	14930.54	11621.3	0.75
Jun'09	21.65	15.85	2953951	21.75	15.65	1671822	15600.3	14016.95	0.71
Jul'09	17.80	13.25	1826571	18.00	13.00	732787	15732.81	13219.99	0.69
Aug'09	22.30	14.60	3145484	19.65	14.05	3791402	16002.46	14684.45	0.68
Sep'09	18.80	15.80	3253679	18.35	15.25	4967973	17142.52	15356.72	0.72
Oct'09	18.60	14.10	1483128	18.80	14.40	1497200	17493.17	15805.2	0.64
Nov'09	20.10	13.75	4007137	20.00	13.65	5059383	17290.48	15330.56	0.72
Dec'09	19.00	16.20	3390380	19.10	15.20	4214549	17530.94	16577.78	0.73
Jan'10	20.00	14.80	4240419	20.10	14.80	4777545	17790.33	15982.08	0.72
Feb'10	17.85	13.30	1619913	17.85	13.20	1476179	16669.25	15651.99	0.58
Mar'10	19.40	13.50	7451707	19.60	12.50	12387900	17793.01	16438.45	0.67

**j. The Companies share price performance compared to the BSE Sensex for the Financial Year 2009-10:**



**k. Distribution of Shareholding as on 31<sup>st</sup> March,2010:**

No. of Shares	As on 31st March 2010			
	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 100	1646	22.67	104288	0.18
101 to 200	835	11.50	149317	0.26
201 to 500	1903	26.21	780433	1.34
501 to 1000	1210	16.66	1088705	1.86
1001 to 5000	1153	15.88	2918120	5.00
5001 to 10000	208	2.86	1583633	2.71
10001 to 100000	240	3.31	7742550	13.26
100001 to above	66	0.91	44033404	75.40
<b>TOTAL</b>	<b>7261</b>	<b>100.00</b>	<b>58400450</b>	<b>100.00</b>

**l. Share Transfer Procedure:**

Your Company has constituted a Shareholder's & Investors Grievances Committee to look after the proper administration of all the work and approve matters in relation to the Share Transfer Procedure. The Committee has been constituted to work in the best interest of the Shareholders of the Company along with The Registrar and Share Transfer Agents of the Company, M/s Sharex Dynamic (India) Pvt. Ltd. and recommends measures for the overall improvement in the quality of investor services.

**m. Registrar and Transfer Agents:**

M/s Sharex Dynamic (India) Pvt. Ltd.  
 Unit-1, Luthra Ind.Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072.  
 Ph.Nos.: (91-22) 2851 5606/2851 5644;  
 Fax No.: (91-22)28512885.  
 Website: www.sharexindia.com and  
 e-mail id: sharexindia@vsnl.com & sd\_india@rediffmail.com

**n. Means of Communication:**

Information like quarterly results and press releases on significant developments in the Company are submitted to the Stock Exchanges on which the Company's Equity shares are listed, to enable them to put on their websites and are also posted on the Company's website ([www.tricominfo.com](http://www.tricominfo.com)). The quarterly financial results are published in Free Press Journal (Mumbai Edition) and Navshakti/ Maharashtra Times (Mumbai Edition- Marathi).

**o. Compliance with Other Mandatory Requirements:**

**i. Management Discussion and Analysis:**

Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters as specified under clause 49 (IV) (F) of the Listing Agreement.

**ii. Subsidiaries:**

Company has no material non-listed Indian subsidiary.

The minutes of the Subsidiary Companies are periodically placed before the Board of Directors of the Company and the attention of the directors is drawn to all significant transactions and arrangements entered into by the Subsidiary Companies. The Audit Committee reviews the financial statements of the Subsidiary Companies.

**iii. Other Disclosures**

**a. Related Party Transactions**

The Company has entered into related party transactions as set out in the notes to accounts, which are not likely to have conflict with the interest of the Company. The details of all significant transactions with related parties are placed before the Audit Committee.

**b. No Penalty or Strictures**

No penalty or stricture has been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authority, on any matter related to the capital markets during the last 3 years.

**c. Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to the Accounts.

**d. Risk Management**

Business risk evaluation and management is an ongoing process with the Company. The Audit Committee and the members of the Board are informed about the risk assessment and minimization procedures.

**e. Code of Conduct**

The Company has adopted the code of conduct and ethics for Directors and Senior Management. The code has been circulated to all the members of the Board and Senior Management and the same has been put on the Company's website [www.tricominfo.com](http://www.tricominfo.com). The Board members and senior management have affirmed their compliance with the code of conduct and a declaration signed by the Managing Director is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management affirmation that they have complied with the code of conduct for directors and senior management of the Company for the year 2009-10".

Chetan Kothari  
Managing Director.

**p. Outstanding GDRs/Convertible Instruments, conversion date and its likely impact on equity**

The Company has 5,95,0000 Global Depository Receipts (GDRs) outstanding as on 31<sup>st</sup> March, 2010. Each GDR represents one underlying share in the Company. GDR is not a specific time bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company.

**q. Compliance with Non- Mandatory Requirements:**

**i. Chairman of the Board:**

No Expenses are being incurred or reimbursed to the Chairman of the Board.

**ii. Remuneration Committee:**

The Board has set up a Remuneration Committee details whereof are furnished in Sr. No. 3 of this Report.

**iii. Shareholder Rights:**

The quarterly and half yearly results are not being sent to the personal address of the shareholders as the quarterly results of the Company are published in the press and the results are posted on the website of BSE (www.bseindia.com); NSE (www.nseindia.com).

**iv. Whistle Blower Policy:**

The Company has no whistle Blower policy as of today.

**v. Other Non Mandatory requirements:**

Adoption of other non-mandatory requirements of the Listing Agreement are being reviewed by the Board from time to time.

**r. Registered Office of the Company**

Tricom House, Gandhi Estate, Andheri Kurla Road,  
Safed Pool, Andheri (East), Mumbai 400 072, Maharashtra, India.  
Tel:(91-22) 6690 7800, 28523437, 28561756  
Fax: 66907810; Website: www.tricominfo.com  
Designated E-mail address for investor services: investor@tricommail.com

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of Tricom India Limited

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of condition of Corporate Governance by Tricom India Limited for the year ended on 31<sup>st</sup> March, 2010, as stipulated in Clause-49 of the Listing Agreement executed by the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor complaints are pending for a period exceeding for 30 days against the Company as per records maintained by the Share Transfer and Investors Grievance Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

FOR J.L.BHATT & CO.  
CHARTERED ACCOUNTANTS

Place: Mumbai  
Date: 25th August, 2010

YOGESH BHATT  
PARTNER  
M.No.30170

## AUDITOR'S REPORT

To,  
The Members,  
**Tricom India Limited,**

1. We have audited the attached Balance Sheet of Tricom India Limited, as at March 31, 2010 and the related Profit and Loss Account for the year ended on that date, annexed thereto and Cash flow statement for the year ended on that date, which we have signed under reference to this report. 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 our audit in accordance with auditing standards generally accepted in India. Those 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 amount 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 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 Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the annexure a statements on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) 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.
  - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in the agreement with the books of accounts.
  - d) In our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act;
  - e) On the basis of written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on March 31, 2010 from being appointed as director in terms of Section 274 (1)(g) of the Act;

- f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements and read with the notes thereon give the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2010;
  - ii) in the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date and
  - iii) in the case of cash flow statements, of the cash flows for the year ended on that date.

FOR J. L. BHATT & CO  
CHARTERED ACCOUNTANTS  
FRN -101332W

**YOGESH BHATT**  
**PARTNER**  
**Membership No. 30170**

Place : Mumbai  
Date : May 29, 2010

### **Annexure Referred to in paragraph 3 of our report of even date to the members of Tricom India Limited on the Accounts for the year ended March 31, 2010:**

- 1) (a) The company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets.
  - (b) As explained to us, the physical verification of a major portion of fixed asset as on March 31, 2010 was conducted by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company. No material discrepancies were noticed on such verification..
  - (c) Based on our scrutiny of records of the company and the information and explanations received by us, we report that the company has not disposed off any major part of the fixed assets, so as to affect its going concern.
- 2) The nature of activities of the companies is such that Para 4 (ii) (a), (b), (c) of the order are not applicable.
- 3) In respect of unsecured loans granted/taken to/from companies covered in the register maintained under section 301 of the Companies Act, 1956 and according to the information and explanation given to us –
  - A) (a) (i) The company has granted unsecured loans aggregating to Rs. 982.18 lacs (including Rs. 498.15 lacs granted during the year) to its two wholly owned subsidiary companies repayable on demand . At the year end the loans granted to its wholly owned subsidiary companies aggregates to Rs. 795.16 lacs. The maximum amount outstanding during the year was Rs. 896.92 lacs.

- ii) The Company has granted unsecured loans to two other parties also aggregating to Rs.23.08 lacs (including Rs. 5 lacs to one party granted during the year) repayable on demand. At the year end the loans granted to these companies aggregates to Rs.13.58 lacs. The maximum amount outstanding during the year was Rs.23.07 lacs.
- (b) The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company having regards to the market yield and business relationship with the companies to whom loans have been granted.
- (c) There are no overdue interest (wherever applicable) on the above loans granted.
- B) (a) i) The company has taken unsecured loans from six parties listed in the register maintained under Section 301 of the Companies Act,1956 aggregating to Rs.315.28 lacs (including Rs. 270.28 lacs received during the year) from 3 (three) parties of which Rs.Nil is outstanding at the year end. The maximum amount of loans taken from the said parties are Rs.315.28 lacs.
- (d) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of loans taken are prima facie not prejudicial to the interest of the company.
- (e) The company is generally regular in paying principal amount and interest wherever applicable.
- 4) Having regard to the nature of the company's business and based on our scrutiny of the company's record we report that the activity of company does not include purchase of inventory and sale of goods. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls regarding purchase of fixed assets.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered in to the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contract or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees 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.
- 6) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of sections 58 A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules ,1975 with regards to the deposits accepted from the public.
- 7) In our opinion, the internal audit functions carried during the year, by a firm of Chartered Accountants appointed by the management, have been commensurate with the size of the company and nature of its business.
- 8) According to the information and explanations provided by the management, the company is not engaged in production, processing, manufacturing and mining activities. Hence provisions of section 209(1)(d) do not apply to the company.
- 9) (a) In respect of Statutory dues, according to the records of the company, the company is generally depositing with some delay with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, wealth-tax, custom duty, excise-duty, cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, wealth-tax, custom duty, excise-duty, cess and any other statutory dues with the appropriate authorities were outstanding, as at March 31, 2010 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, there are no dues of sales tax, customs duty, wealth-tax, excise duty, cess which have not been deposited on account of any dispute except income tax dues of Rs.28.25 lacs. The company has filed appeal against the disputed income tax.
- 10) The company has neither accumulated losses as at March 31, 2010 nor it has incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year. Therefore we are of the opinion that no comment is required under clause (x) of para 4 of the order regarding the erosion of 50 % or more of net worth and cash losses in the current and immediately preceding financial year.
- 11) Based on our audit procedures and on the informations and explanation given by the management , we are of the opinion that the company has not defaulted in repayment of dues to banks.
- 12) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.



- 14) As per the records of the company and information and explanations given to us by the management, company is not dealing or trading in shares, securities, and debentures and other investments.
- 15) According to the information and explanation given to us the company has given guarantee for loans taken by its subsidiary company from banks or financial institutions. The terms of such guarantees are not prejudicial to the interest of the company.
- 16) The term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us, and on an overall examinations of the balance sheet of the company we report that no funds raised on short-term basis have been prima-facie used for long-term investment. No long term funds have been used to finance short term assets.
- 18) Based on our examination of record and the information provided to us by management we report that the company has not made preferential allotment of shares.
- 19) According to the records of the company, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- 20) As informed to us, the company has not raised any money by public issue during the period covered by our audit report.
- 21) During the course of our examination of books and records of the Company, carried out in accordance with auditing standard generally accepted in India, we have neither come across any instance of fraud by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

FOR J.L.BHATT & CO  
CHARTERED ACCOUNTANTS  
FRN -101332W

**YOGESH BHATT**  
**PARTNER**  
**Membership No. 30170**

Place : Mumbai  
Date : May 29, 2010

## BALANCE SHEET AS AT MARCH 31, 2010

	SCHEDULE	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDER'S FUND</b>			
Share Capital	A	116,800,900	116,800,900
Reserves & Surplus	B	798,418,338	636,461,567
<b>LOAN FUNDS</b>			
Secured Loans	C	545,339,540	451,328,980
Unsecured Loans	D	158,931,456	205,031,500
Deferred Tax Liability		5,310,005	2,759,654
<b>TOTAL</b>		<b>1,624,800,239</b>	<b>1,412,382,601</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block :	E	360,345,853	260,908,147
Less : Accumulated Depreciation		119,646,597	90,838,533
Net Block		240,699,256	170,069,614
Add: Capital Work in Progress		39,562,965	37,555,833
Total Fixed Assets		280,262,221	207,625,447
<b>INVESTMENTS</b>	F	651,179,351	623,297,601
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Work in Progress (Certified by Management)		5,265,000	5,383,700
Sundry Debtors	G	368,430,508	307,372,754
Cash & Bank Balances	H	47,870,691	53,860,546
Loans & Advances	I	385,430,215	302,850,271
		806,996,414	669,467,271
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	J	29,662,077	32,974,008
Provisions	K	88,285,704	60,048,923
		117,947,781	93,022,931
<b>NET CURRENT ASSETS</b>		689,048,634	576,444,340
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)		4,310,033	5,015,213
<b>TOTAL</b>		<b>1,624,800,239</b>	<b>1,412,382,601</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	O		
<b>NOTES TO THE ACCOUNTS</b>	P		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR J.L. BHATT & CO.**  
CHARTERED ACCOUNTANTS

**CHETAN KOTHARI**  
MANAGING DIRECTOR

**HIREN KOTHARI**  
DIRECTOR

**YOGESH BHATT**  
PARTNER  
(M.No. 30170)

**JAYANT TANKSALE**  
EXECUTIVE DIRECTOR-  
OPERATIONS

**G.T.SHENOY**  
COMPANY SECRETARY

PLACE : MUMBAI  
DATE : 29th May, 2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	SCHEDULE	For the year ended 31-Mar-10 Rupees	For the year ended 31-Mar-09 Rupees
<b>INCOME :</b>			
Income from Operations		547,207,497	453,683,696
Other Income		610,370	527,247
<b>TOTAL</b>		<b>547,817,867</b>	<b>454,210,943</b>
<b>EXPENDITURE :</b>			
(Increase) / Decrease in work in progress		118,700	(2,858,600)
Exchange Rate Difference		59,674,387	(14,042,048)
Staff Expenses	M	144,849,766	151,864,773
Administrative & Other Expenses	N	65,968,858	76,059,904
<b>TOTAL</b>		<b>270,611,712</b>	<b>211,024,028</b>
<b>PROFIT BEFORE INTEREST, DEPRECIATION AND TAX</b>			
		277,206,156	243,186,915
Less : Interest & Finance Charges (Net)	L	78,937,413	51,883,840
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>		<b>198,268,743</b>	<b>191,303,075</b>
Less : Depreciation	E	36,827,621	31,928,070
<b>PROFIT BEFORE TAX</b>		<b>161,441,122</b>	<b>159,375,005</b>
Less : Provision for Taxation		24,935,991	15,922,277
Less : MAT Credit Entitlement		(24,935,991)	(15,922,277)
Less : Deferred Tax		2,550,351	(2,929,165)
Less : Fringe Benefit		-	572,127
<b>PROFIT AFTER TAX BUT BEFORE EXCEPTIONAL ITEMS</b>		<b>158,890,771</b>	<b>161,732,043</b>
EXCEPTIONAL ITEMS :			
Amortisation Of Foreign Currency Monetary Item Translation Difference		15,424,737	18,843,023
<b>NET PROFIT FOR THE PERIOD</b>		143,466,034	142,889,020
Add: Balance brought forward from last year		416,396,192	287,214,990
Less: Income/Expenditure for earlier years		-	42,697
		<b>559,862,226</b>	<b>430,061,313</b>
<b>APPROPRIATION</b>			
Proposed Dividend		14,016,108	11,680,090
Dividend Tax		2,382,038	1,985,031
General Reserve		10,000,000	-
Carried to Balance Sheet		533,464,080	416,396,192
<b>EARNING PER SHARE</b>			
Basic		2.46	2.45
Diluted		2.46	2.45
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>NOTES TO THE ACCOUNTS</b>			

AS PER OUR REPORT OF EVEN DATE

**FOR J.L. BHATT & CO.**  
 CHARTERED ACCOUNTANTS

**YOGESH BHATT**  
 PARTNER  
 (M.No. 30170)

 PLACE : MUMBAI  
 DATE : 29th May, 2010

FOR AND ON BEHALF OF THE BOARD

**CHETAN KOTHARI**  
 MANAGING DIRECTOR

**JAYANT TANKSALE**  
 EXECUTIVE DIRECTOR-  
 OPERATIONS

**HIREN KOTHARI**  
 DIRECTOR

**G.T.SHENOY**  
 COMPANY SECRETARY

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>SCHEDULE A :</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED CAPITAL :</b>		
8,75,00,000 (Previous year: 8,75,00,000) Equity Shares of Rs.2/- each	175,000,000	175,000,000
2,50,000 (Previous year :2,50,000) Preference Shares of Rs.100/- each	25,000,000	25,000,000
<b>TOTAL</b>	<b>200,000,000</b>	<b>200,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL :</b>		
5,84,00,450 (Previous year : 584,00,450) Equity Shares of Rs.2/- each	116,800,900	116,800,900
<b>TOTAL</b>	<b>116,800,900</b>	<b>116,800,900</b>
<b>SCHEDULE B :</b>		
<b>RESERVES &amp; SURPLUS :</b>		
<b>Share Premium</b>		
Opening Balance	216,277,650	215,921,400
Add: On Issue of Equity Shares under ESOP Scheme,2004	-	356,250
Add: Transferred during the year from Employee Stock Option	3,990,480	-
	<b>220,268,130</b>	<b>216,277,650</b>
<b>Capital Reserve</b>		
Opening Balance	31,995	31,995
	<b>31,995</b>	<b>31,995</b>
<b>General Reserve</b>		
Opening Balance	37,451,296	37,451,296
Add : Transferred During the year	10,000,000	-
	<b>47,451,296</b>	<b>37,451,296</b>
<b>Employee Stock Option Outstanding</b>		
Opening Balance	3,990,480	3,408,600
Net Charge for the Year	-	581,880
Less: Transferred to Share Premium A/c	3,990,480	-
	-	<b>3,990,480</b>
<b>Foreign Currency Monetary Item Translation Difference</b>		
	<b>(2,797,164)</b>	<b>(37,686,046)</b>
<b>Balance as per Profit &amp; Loss Account</b>	<b>533,464,080</b>	<b>416,396,192</b>
<b>TOTAL</b>	<b>798,418,338</b>	<b>636,461,567</b>

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>SCHEDULE C :</b>		
<b>SECURED LOANS :</b>		
(Refer Note no. 5 of Schedule P)		
A. Loans from Banks		
Term Loans & Buyer's Credit	478,682,393	350,711,676
Working Capital Loans	61,067,027	97,712,092
B. Vehicle Loans	5,590,120	2,905,212
<b>TOTAL</b>	<b>545,339,540</b>	<b>451,328,980</b>
<b>SCHEDULE D :</b>		
<b>UNSECURED LOANS :</b>		
1,31,35,050 8% Optionally Fully Convertible Debentures of Rs. 10/- each, fully paid up.	-	131,350,500
Fixed Deposits	9,500,000	21,931,000
Short Term Inter Corporate Deposits	149,431,456	51,750,000
<b>TOTAL</b>	<b>158,931,456</b>	<b>205,031,500</b>

## SCHEDULES FORMING PART OF BALANCE SHEET

### SCHEDULE : E FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1-Apr-09	Additions for the year	Deductions	As at 31-Mar-10	As at 1-Apr-09	For the Year	Deductions	As at 31-Mar-10	As at 31-Mar-09
<b>TANGIBLE ASSETS</b>									
AIR CONDITIONERS	3,823,900	-	-	<b>3,823,900</b>	426,116	181,640	-	3,216,144	3,397,784
COMPUTERS	105,920,352	6,297,872	-	<b>112,218,224</b>	59,275,147	12,621,235	-	40,321,842	46,645,205
ELECTRICAL INSTALLATIONS	11,267,520	-	334,445	<b>10,933,075</b>	1,894,956	519,316	334,445	8,853,248	9,372,564
FAX MACHINE	11,055	-	-	<b>11,055</b>	2,451	527	-	8,077	8,604
FURNITURE & FIXTURES	48,715,671	1,330	7,498,201	<b>41,218,800</b>	14,098,512	2,609,173	7,498,201	32,009,316	34,617,159
OFFICE EQUIPMENTS	2,626,365	-	-	<b>2,626,365</b>	474,554	124,757	-	2,027,054	2,151,811
MOTOR CARS	8,465,666	1,527,513	540,222	<b>9,452,957</b>	1,935,889	438,650	186,910	7,265,328	6,529,777
TELEPHONE INSTALLATIONS	303,808	-	-	<b>303,808</b>	55,976	14,431	-	233,401	247,832
<b>INTANGIBLE ASSETS</b>									
SOFTWARE PURCHASED	32,260,770	92,344,000	-	<b>124,604,770</b>	7,592,904	5,362,709	-	111,649,157	24,667,866
SOFTWARE DEVELOPMENT *(Refer Note 12 of Schedule P)	47,513,040	7,639,859	-	<b>55,152,899</b>	5,082,026	14,955,183	-	35,115,690	42,431,014
<b>Total</b>	<b>260,908,147</b>	<b>107,810,574</b>	<b>8,372,868</b>	<b>360,345,853</b>	<b>90,838,532</b>	<b>36,827,621</b>	<b>8,019,556</b>	<b>240,699,256</b>	<b>170,069,615</b>
<b>Previous Year</b>	<b>201,571,031</b>	<b>69,305,040</b>	<b>9,967,924</b>	<b>260,908,147</b>	<b>60,322,609</b>	<b>31,928,070</b>	<b>1,412,146</b>	<b>170,069,614</b>	<b>116,816,396</b>

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>SCHEDULE F :</b>		
<b>INVESTMENTS (At cost) - Long Term</b>		
<b>TRADE</b>		
<b>UNQUOTED</b>		
<b>SUBSIDIARY COMPANY</b>		
105,12,439 (Previous year 99,37,439) shares of common stock of Tricom Document Management Inc., USA, no par value	453,737,952	425,856,202
86,59,177 (Previous year 86,59,177) Equity Shares of Tricom Infotech Solutions Ltd. of Rs 10/- each fully paid up	140,862,213	140,862,213
4,971,429 (Previous year 49,71,429) Equity Shares of Tricom Infotech Solutions Ltd. of Rs. 10/- ,Rs. 7/- each paid up	56,530,186	56,530,186
<b>NON TRADE</b>		
<b>OTHERS</b>		
4900 Equity Shares of Malad Sahakari Bank Ltd. Of Rs. 10/- each	49,000	49,000
<b>TOTAL</b>	<b>651,179,351</b>	<b>623,297,601</b>
<b>SCHEDULE G :</b>		
<b>SUNDRY DEBTORS (UNSECURED)</b>		
Outstanding for a period		
- Exceeding Six Months and considered Good	92,437,720	72,226,292
- Others (Considered Good)	275,992,788	235,146,462
<b>TOTAL</b>	<b>368,430,508</b>	<b>307,372,754</b>
<b>SCHEDULE H :</b>		
<b>CASH &amp; BANK BALANCES :</b>		
Cash on hand	265,803	1,186,964
Balances with Scheduled Banks		
- in Current Accounts	967,381	1,012,315
- in EEFC Account	404,662	439,194
- in Fixed Deposit Account *	41,148,198	44,559,419
- in RD Accounts*	5,084,648	6,662,654
* Pledged with a Bank Rs.4,62,32,846/- (Previous year Rs.5,12,22,073)		
<b>TOTAL</b>	<b>47,870,691</b>	<b>53,860,546</b>

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
<b>SCHEDULE I :</b>		
<b>LOANS &amp; ADVANCES (UNSECURED) (CONSIDERED GOOD):</b>		
Loans to Companies & Other Parties	105,291,519	102,295,669
Loans to Subsidiary Companies	79,516,367	48,402,500
Advance Recoverable in Cash or Kind or for value to be received	61,190,631	66,319,203
Security Deposits	17,031,546	17,997,104
Prepaid Expenses	19,437,648	17,759,516
Income Tax	102,962,504	50,076,279
<b>TOTAL</b>	<b>385,430,215</b>	<b>302,850,271</b>
<b>SCHEDULE J :</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors	4,050,644	7,003,151
Other Liabilities	25,611,433	25,970,857
<b>TOTAL</b>	<b>29,662,077</b>	<b>32,974,008</b>
<b>SCHEDULE K :</b>		
<b>PROVISIONS :</b>		
Provision for Income Tax	62,128,364	37,192,373
Provision for Fringe Benefit Tax	3,686,573	3,686,573
Proposed Dividend	14,016,108	11,680,090
Provision for Tax on Dividend	2,382,038	1,985,031
Provision for Retirement Benefits	6,072,621	5,504,856
<b>TOTAL</b>	<b>88,285,704</b>	<b>60,048,923</b>



## SCHEDULES TO PROFIT & LOSS ACCOUNT

	For the year ended 31st March 2010	For the year ended 31st March 2009
<b>SCHEDULE L :</b>		
<b>INTEREST &amp; FINANCE COST (Net) :</b>		
Finance Charges	9,962,670	8,534,793
Interest paid		
Interest on Fixed Loans		
- Banks	36,542,342	29,376,419
- Others	37,991,913	14,214,873
Interest on Cash Credit	6,553,976	7,069,332
	91,050,901	59,195,417
Less: Interest earned	12,113,489	7,311,577
<b>TOTAL</b>	<b>78,937,413</b>	<b>51,883,840</b>
<b>SCHEDULE M :</b>		
<b>STAFF COST</b>		
Salaries, Wages and bonus	131,545,160	136,091,127
Contribution to Provident and Other Funds	7,378,172	9,663,684
Directors' remuneration	6,000,000	7,500,000
Employee Compensation Account under ESOP	-	581,880
Staff Welfare	2,529,727	3,956,367
	147,453,059	157,793,058
Less: Software Development Cost (See Note no. 12 of Schedule P)	2,603,293	5,928,285
<b>TOTAL</b>	<b>144,849,766</b>	<b>151,864,773</b>

## SCHEDULES TO PROFIT & LOSS ACCOUNT

	For the year ended 31st March 2010	For the year ended 31st March 2009
<b>SCHEDULE N :</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement and Sales Promotion	1,452,783	1,235,428
Auditors Remuneration	529,612	592,096
Bad Debts Written Off (Net)	-	682,149
Bank Charges	2,149,356	2,190,788
Communication charges	6,904,311	7,495,695
Directors' Sitting Fees	235,000	285,000
Donations	906,015	874,406
Electricity Charges	12,328,354	13,878,887
Foreign travel	2,347,680	4,081,862
Insurance Charges	623,280	894,379
Legal & Professional Fees	4,526,753	4,290,359
Loss on sale of Fixed Assets	237,241	215,926
Miscellaneous Expenditure Written off	705,180	705,180
Miscellaneous Expenses	1,310,849	1,684,514
Motor Car Expenses	522,627	1,707,302
Printing & Stationery	1,048,210	1,372,064
Rent Rates & taxes	23,848,289	23,886,089
Repair & Maintenance Charges	3,781,998	4,435,896
Security Charges	1,402,528	1,538,677
Service charges	2,182,074	2,742,388
Travelling and Conveyance Charges	3,341,782	5,030,702
Water Charges	621,503	451,954
	71,005,424	80,271,742
Less: Capitalisation of Software (See note no. 12 of Schedule P)	5,036,566	4,211,838
<b>TOTAL</b>	<b>65,968,858</b>	<b>76,059,904</b>

## Significant Accounting Policies and Notes on Accounts

### SCHEDULE - O

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1) Basis of preparation of Financial Statement

The financial statements have been prepared under the historical cost convention, on the basis of going concern and on accrual method of accounting, in accordance with Normally Accepted Accounting Principles and provisions of the Companies Act, 1956 as adopted consistently by the company. All incomes and expenditures having material bearing on financial statements are recognized on accrual basis. The Company has complied with all the mandatory Accounting Standards ('AS') to the extent applicable as prescribed by the Company's (Accounting Standards) Rules, 2006, the provisions of the Companies Act 1956. The Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

##### 2) Use of Estimates

The preparation of the financial statements in conformity with Normally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the report amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which it gets materialized.

##### 3) Revenue Recognition

- Revenue from services is recognized based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognized on periodical basis based on units executed and delivered.
- Revenue from sale of software is recognized on delivery and transfer of ownership of the software to the clients.
- Revenue from sale of software licences are recognized upon delivery where there is no customization required. In case of customization the same is recognized over the life of the contract using the proportionate completion method.
- Other Income: Interest Income is accounted on accrual basis. Dividend income is accounted for when right to receive is established.

##### 4) Fixed Asset, Depreciation and Amortisation

###### (a) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. For this purpose cost comprises of cost of acquisition and all costs directly attributable to bringing the asset to the present condition for its intended use. Capital work in progress comprises advance paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use at the balance sheet date.

###### (b) Method of Depreciation

Depreciation is provided during the year under Straight Line method, on pro-rata basis on assets put to use at the rates prescribed under Schedule XIV of the Companies Act, 1956. Individual low cost assets (acquired for less than Rs.5,000/-) are entirely depreciated in the year of acquisition.

##### 5) Investments

Investments are valued at cost inclusive of all expenses incidental to their acquisition. All the investments are intended to be held for a period of more than one year from the date on which investments are made are classified as long term investments. All long term investments are carried at cost. No provision for diminution in value of long term investments is made. Overseas Investments are carried at their original rupee cost of acquisition.

##### 6) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rates of exchange prevailing on the date of transactions. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred, is converted into Indian Rupees. The exchange differences arising on foreign currency transactions are recognized as income or expense in the year in which they arise.

Forward premia/ discount in respect of forward exchange contracts are recognized over the life of the contract.

Fixed assets purchased are recorded at cost, based on the exchange rate as of the date of purchase.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevailing at the date of balance sheet. In case of items which are covered by forward exchange contracts, the difference between the exchange rate prevailing at the Balance Sheet date and the rate on the day of contract is recognized as exchange difference. The resulting difference is also recorded in the profit and loss account.

##### 7) Retiring Benefits

The Company has Defined Contribution Plan for its Employees' Retirement Benefits comprising of Provident Fund, Employees' State Insurance Fund which are recognized by the Income Tax Authorities. The Company and eligible employees make monthly contributions to the Provident Fund equal to specified percentage of the covered employees' salary. The Company also contributes to Employees' State Insurance Fund and has no further obligation to the plan beyond its monthly contribution.

The Company has Defined Benefit Plan comprising of Gratuity. The benefits are based on final salary and cost of the benefit is entirely borne by the company. The benefits of the scheme are paid in accordance with the Payment of Gratuity Act, 1972 without any monetary limit. The liability for Gratuity is determined on the basis of an independent actuarial valuation done at the year end. The liability is computed based on current salary

levels projected to the probable due date. The method employed is projected unit credit method.

As per Company Policy the unused accumulated leave balance lapses at the year end and no employee is entitled to cash compensation for unused accumulated leave balance at the end of the year , hence, no provision is required to be made.

## 8) Income Tax

The Company is 100% Export Oriented Unit and registered member of Software Technology Park of India. In view of the same Company is claiming exemption of its income under section 10B of the Income Tax Act, 1961. However, Company has provided Minimum Alternate Tax under section 115JB of the Income Tax Act, 1961. Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset when there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly MAT is recognized as asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

## 9) Inventory

Work in Progress is valued at cost.

## 10) Software

The company has internally generated software for its captive use for the various long term projects received and also developed software for sale of its licences .The direct cost of this software is capitalized and shown as Intangible assets under the Group Fixed Assets. This amount would be amortized beginning from the year subsequent to the year in which the said is put to use and/or sale of its licences. The amortization period would be the project period or three equal yearly installments whichever is less.

## 11) Earning per Share

In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

## 12) Contingent Liability

Claims against the Company are recognized when Board of Directors determine that it is probable that the liability will be payable. Claims made by the Company are recognized when formal intimation of the agreement of the Claim is received from the counter parties.

## 13) Leases

In respect of Operating leases, lease rentals are expensed with reference to the terms of lease.

## 14) Deferred Tax

The deferred taxes in respect of timing differences which originates during the tax holiday period and reverse during the tax holiday period is not recognized during the year. However deferred tax in respect of timing difference which originate during the tax holiday period and but reverse after the tax holiday period is recognized during the year and necessary adjustment have been carried out.

## 15) Miscellaneous Expenditure (To the extent not written off or adjusted)

Expenses incurred would be amortized over a period of ten years beginning from the date of incurrence.

## 16) Accounting policies not specifically referred to are consistent with the Indian Normally Accepted Accounting Principles.

## SCHEDULE : P

### NOTES FORMING PART OF ACCOUNTS

#### 1) CONTINGENT LIABILITY

	As at March 31, 2010 Rs.in Lacs	As at March 31, 2009 Rs.in Lacs
i. Bank Guarantees issued to customs Authorities	3.40	3.40
ii. Appeals filed at different forums/authorities in respect of disputed demands:		
Income Tax	28.25	92.00
iii. Bank Guarantees issued on behalf of Subsidiaries to the parties	338.55	764.25
iv. Corporate Guarantee given by the Company in respect of credit limits sanctioned by banks to a subsidiary company	867.15	706.00
v Uncalled liability on partly paid shares	149.14	149.14

Note : Future cash outflows in respect of (ii) above are determinable only on receipt of judgments/decisions pending with the respective forums/authorities.

#### 2) In the opinion of the Board, the Current Assets, Loans and Advances have been stated at a value realizable in the ordinary course of business.

#### 3) As per the notification dated March 31, 2009 , by The ministry of Corporate Affairs, in respect of provisions of Accounting Standard (AS-11) "The Effect of Changes in Foreign Exchange Rates", exchange loss of Rs.27.97 Lacs (net of Rs.154.25 Lacs amortised during the year) is reported as Foreign Currency Monetary Item Translation Difference under the head Reserves & Surplus and will be amortised over the term of the loan but not beyond 31<sup>st</sup> March 2011.

4) Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. Accordingly Rs.249.36 Lacs is recognised as asset for the Financial Year in the Balance Sheet.

#### 5) Security for Secured Loans

- Loans from Banks are secured by way of hypothecation of fixed assets except Vehicles of the Company, book debts, pledge of fixed and recurring deposits with a Bank and further secured by personal guarantee of a Director.
- Vehicle Loans from Banks are secured against the specific vehicle financed by respective banks.

#### 6) Employee Benefits

The disclosure required as per the revised AS-15 are as under :

##### Brief description of the Plan

The Company has schemes for long term benefits such as Provident Fund and Gratuity. The Company's defined contribution plans are Provident Fund and Employees' State Insurance Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company has Defined Benefit Plan comprising of Gratuity. The benefits are based on final salary and cost of the benefit is entirely borne by the company. The benefits of the scheme are paid in accordance with the Payment of Gratuity Act, 1972 without any monetary limit. The liability for Gratuity is determined on the basis of an independent actuarial valuation done at the year end. As per the Company's Policy the unused accumulated leave balance lapses at the year end and no employee is entitled to cash compensation for unused accumulated leave balance at the end of the year and no provision is required to be made.

##### I. Charge to the Profit and Loss Account based on contributions

	As at March 31, 2010 Rs.in Lacs	As at March 31, 2009 Rs.in Lacs
Employer's contribution to Provident Fund	28.83	32.14
Employer's contribution to Employees' State Insurance	34.92	41.47

#### II. Disclosures for Defined Benefit Plans based on actuarial report as on March 31, 2010

##### A. Change in Defined Benefit Obligation

	(Non-Funded) Gratuity	
	As at March 31, 2010 Rs.in Lacs	As at March 31, 2009 Rs.in Lacs
	Projected benefit obligations as at the beginning of the year	55.05
Service Cost	12.99	15.23
Interest cost	4.68	2.62
Past service cost	-	-
Actuarial (gain)/loss on obligation	(9.71)	2.79
Benefit Paid	(2.28)	(0.54)
Projected benefit obligations as at the end of the year	60.73	55.05

##### B. Charge to the Profit and Loss Account based on Actuarial valuation

	As at March 31, 2010 Rs.in Lacs	As at March 31, 2009 Rs.in Lacs
Current service cost	12.99	15.23
Interest cost	4.68	2.62
Expected Return on Plan Assets	-	-
Net Actuarial gain	(9.71)	2.79
Net Periodic cost	7.96	20.64

##### C. Amount recognized in the Balance Sheet

	(Non-Funded) Gratuity	
	As at March 31, 2010 Rs.in Lacs	As at March 31, 2009 Rs.in Lacs
	Present Value of obligation	60.73
Present value of Assets	-	-
Liability recognised in Balance Sheet	60.73	55.05

##### D. Movement in net liability recognized & Disclosed in Balance Sheet

	(Non-Funded) Gratuity	
	As at March 31, 2010 Rs.in Lacs	As at March 31, 2009 Rs.in Lacs
	Net Liability as at the beginning of the year	55.05
Expenses as above	7.96	20.64
Contributions Paid	(2.28)	(0.54)
Net Liability as at the end of the year	60.73	55.05

### E. Principal actuarial assumptions used

	As at March 31, 2010 Rs.in Lacs
Discount Rate	8.50%
Salary Increment Rate	6.00%
Retirement Age	58 yrs
Attrition rate till the age of 30	2.00%

- i) The estimates of future salary increase, considered in actuarial valuation, takes account of inflation
- ii) The latest compiled Table LIC a(1994-96) is considered for the purpose of valuation

### 7) Remuneration & Perquisite to Managing Director & Executive Directors

- a) Managerial Remuneration paid u/s 198 of the Companies Act, 1956 included in Schedule M is as under:

(Rs .in Lacs)

Sr. No.	Particulars	Managing Director		Executive Directors	
		2009-10	2008-09	2009-10	2008-09
1	Salaries & Allowances	30.00	30.00	27.00	45.00
	Total	30.00	30.00	27.00	45.00

- b) Calculation of Managerial Remuneration in accordance with Section 309 (5) of the Companies Act, 1956

(Rs. in Lacs)

Particulars	2009-10	2008-09
1 Profit Before Tax	1614.41	1593.75
Add:		
2 Managerial Remuneration	57.00	75.00
3 Loss on Sale of Assets	2.37	2.16
Net Profit u/s 198 of the Companies Act, 1956	1673.78	1670.91
Maximum Remuneration allowable under the Companies Act, 1956		
(Restricted to 11% of Net Profits)	184.12	183.80

- c) Employee Stock Options (ESOP) to Directors

- i. Options converted into shares during the period : NIL (Previous Year 7,500)
- ii. Outstanding Options as on March 31<sup>st</sup>, 2010 : NIL (Previous Year : NIL)

### 8) Auditors Remuneration

(Rs. In Lacs)

	For the year ended March 31, 2010	For the year ended March 31, 2009
Statutory Audit	1.00	1.00
Tax Audit	0.68	0.54
Taxation Matters	2.08	0.43
Certification/other matters	0.90	3.90
Out of Pocket Expenses	0.65	0.05
Total	5.30	5.92

### 9) Deferred Tax

The break up of net deferred tax liability is as under:

(Rs. in Lacs)

	As on 31 <sup>st</sup> March, 2010		As on 31 <sup>st</sup> March, 2009	
	Deferred tax Liability	Deferred Tax Asset	Deferred tax Liability	Deferred Tax Asset
Difference between book and tax depreciation	53.10	Nil	27.60	Nil

### 10) Amount due to Micro, Small and Medium Enterprises

The Company is in process of compiling the data of suppliers which are covered under the Micro, Small & Medium Enterprises Development Act, 2000. Hence, the details pertaining to that are not disclosed separately. However, out of the total Sundry Creditors Rs. NIL is due to Small Scale and / or ancillary Industrial Suppliers (Previous Year Rs. NIL). No amount is outstanding for more than 30 days with SSI Units. Information regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

### 11) Employee's Stock Option Scheme

Pursuant to the Board resolution dated January 21, 2005, the company has granted 203,500 stock options on January 21, 2005 to the eligible employees. The total options of 203,500 are granted with the total vesting period of 36 months and exercise period of 6 months from the respective vesting dates.

#### Details of Option Granted and Lapsed

	March 31, 2010	March 31, 2009
Option Granted and outstanding at the beginning of the year.	NIL	38,000
Less: Lapsed during the year	--	14,250
Less : Allotted during the year	--	23,750
Options granted and outstanding at the end of the year	NIL	NIL

The stock option discount in the aforesaid scheme computed as per SEBI guidelines in this respect, is being amortised on a straight line basis over the vesting period. Accordingly, during the year Rs.NIL/(Previous Year Rs. 5.82 Lacs) being the proportionate charge of option discount for the year, has been included in the staff cost.

The company has calculated option discount on the basis of Intrinsic Value method and has amortized Rs.NIL/(previous year Rs.5.82 Lacs) being the proportionate charge of option discount for the year as stated herein above. During the year, there being no other transaction remaining to ESOS, balance of Rs.39,90,480/- standing to the credit of ESOP outstanding Account is now transferred to the Share Premium Account.

## 12) Intangible Assets

During the year the company has internally generated software for its captive use for the various long term projects received and also developed software for sale of its licences. The cost of Rs. 76.40 Lacs (Previous Year Rs.101.40 Lacs) is capitalized and shown as Intangible assets under the Group Fixed Assets.

## 13) Capital Work in Progress

The Company has accumulated Rs.120.35 Lacs ,the amount spent on the establishing a new business vertical. The said amount will be adjusted in the accounts on either getting a contract for the vertical or on the management's decision if no contract is received in reasonable time.

14) Few debtors, creditors and loans and advances are subject to confirmation and reconciliation if any.

## 15) Financial Instruments

The Company uses Foreign Currency Forward Contracts to hedge its Risks associated with Foreign Currency Fluctuations. The Company does not use Forward Contracts for speculative purposes.

The outstanding Foreign Exchange Forward Contract (10 Nos.) as on 31<sup>st</sup> March, 2010 in US \$ 500,000 amounting to Rs.2,33,64,500/-.

## 16) Operating lease

The company's significant leasing agreements are in respect of operating lease for office premises. These leasing agreements are cancelable and renewable by mutual consent on mutually acceptable terms. The aggregate lease rentals payable by the company are charged to profit and loss account as a rent amounting to Rs. 238.48 Lacs (Previous year: Rs. 238.86 Lacs). The future minimum lease payments under non-cancelable operating leases due within a period of one year are estimated at Rs. 115.61 Lacs (Previous year: Rs. 126.12 Lacs) and due later than one year but not later than five years are estimated at Rs.NIL.(Previous year Rs. 115.61 Lacs).

## 17) Additional Information pursuant to the provision of Paragraph B Part II Schedule VI (As Applicable)

	(Rs. In Lacs)	
	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
CIF Value of Import of Raw Materials, Components, spare parts and Capital Goods	916.00	13.71
Expenditure in Foreign Currency on Travelling and Other Expenses	99.26	157.04
Earnings in Foreign Currency – Operations	5472.07	4536.84

## 18) Remittance of Dividend in Foreign Currency

The Company has not remitted any amount in Foreign Currency on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by / on behalf of non resident shareholders. The particulars of Gross dividend declared to 66 non-resident shareholders for the year 2008-09 amounted to Rs. 11,65,774/-.

## 19) Earnings Per Share

	(Rs. In Lacs)	
	2009-10	2008-09
1. Net Profit After Tax available for Equity Shareholder	1434.66	1428.46
2. Prior Period Items	---	0.43
3. Adjusted Profit	1434.66	1428.89
4. Weighted Average No of Shares	5,84,00,450	5,83,44,988
5. Basic Earnings Per Share	Rs.2.46	Rs.2.45
6. Weighted Average No. of Shares after possible dilution of ESOP	5,84,00,450	5,83,44,988
7. Diluted Earnings Per Share	Rs.2.46	Rs.2.45

## 20) Segment Reporting

Since the Company's activities fall within a single geographical and business segment (ITES-BPO) it has no other primary reportable segment.

## 21) Related Party Disclosure

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosure of Related Parties and related parties with whom the transactions have taken place and the transactions are given below:

## RELATED PARTIES

### a. Subsidiary Companies:

- i. Tricom Document Management Inc.
  - ii. Tricom Infotech Solutions Limited
  - iii. Pacific Data Centers, Inc.\*
  - iv. Tricom Infotech Solutions (Cyprus) Limited #
  - v. Tricom Infotech Solutions, Inc.##
  - vi. Tricom Software Services, Inc.\*
  - vii. Tricom Data Services, Inc.\*
  - viii. Tricom Litigation Services, Inc.\*
  - ix. Tricom Data Discovery Services, Inc.\*
- \* Held through Tricom Document Management Inc.  
# Held through Tricom Infotech Solutions Ltd.  
## Held through Tricom Infotech Solutions (Cyprus) Limited

### b. Executive Directors:

- i. Mr. Chetan S. Kothari - Managing Director
- ii. Mr. Jayant B. Tanksale – Executive Director – Operations

### c. Non-Executive directors:

- i. Mr. Shailesh Bathiya
- ii. Mr. Gautam Berry
- iii. Mr. Hariom Tulsyan
- iv. Mr. Baldev Boolani
- v. Mr. Anil Bakshi
- vi. Mr. Rasik Chaturvedi

### d. Entities having significant influence over the Company:

- i. Tricom Agrochem Limited
- ii. Adilnath Finance Private Limited
- iii. Trio Mercantile & Trading Limited

## TRANSACTIONS:

(Rupees in Lacs)

Transactions	Subsidiary Companies		Other Related Parties	
	2009-10	2008-09	2009-10	2008-09
Sales	4144.79	4,060.83	--	--
Receipts against Reimbursement of Expenses	--	--	--	--
Commission Paid	--	--	3.00	--
Expenses Reimbursed	3.11	5.43	--	--
Loans and Advances given	498.15	154.74	5.00	--
Loans/Deposits taken	--	--	270.28	408.94
Loans/Deposits repaid	30.00	--	285.28	370.63
Receipt of interest on Loan	55.07	29.27	--	--
Payment of interest on loan/deposits	1.94	1.89	4.12	5.67
<b>Amount due to / from Related Parties</b>				
Outstanding Receivables	2179.33	2,649.63	--	--
Outstanding loans & Deposits				
Investment in Shares	6511.30	6,232.49	--	--
Outstanding Loans and Advances given	795.16	484.02	13.57	38.31
Outstanding Loans and Advances taken	--	30.00	--	--

Remuneration to Mr. Chetan Kothari, Managing Director and Mr. Jayant Tanksale and Mr. Anil Bakshi, Whole Time Directors have been given in Note No.7 in Schedule P

**22)** Figures for the previous year have been regrouped / reclassified wherever necessary to confirm the classification of the current year.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR J.L. BHATT & CO.**  
CHARTERED ACCOUNTANTS

**CHETAN KOTHARI**  
MANAGING DIRECTOR

**HIREN KOTHARI**  
DIRECTOR

**YOGESH BHATT**  
PARTNER  
(M.No.30170)

**JAYANT TANKSALE**  
EXECUTIVE DIRECTOR-  
OPERATIONS

**G.T.SHENOY**  
COMPANY SECRETARY

PLACE : MUMBAI  
DATE : 29th May, 2010



## BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE

### ADDITIONAL INFORMATION AS REQUIRED UNDER PARA IV OF THE COMPANIES ACT, 1956.

<b>I) Registration Details</b>		
a) Registration No		68953
b) State Code		11
c) Balance Sheet Date		March 31,2010
<b>II) Capital Raised during the period (Amount in Rs. Thousands)</b>		
a) Public Issue		NIL
b) Right Issue		NIL
c) Bonus Issue		NIL
d) Private Placement		NIL
<b>III) Position of mobilisation and Deployment of funds (Amount in Rs. Thousands)</b>		
a) Total Liabilities		1,624,800
b) Total Assets		1,624,800
<b>SOURCES OF FUNDS</b>		
Paid-up Capital		116,801
Share Application Money		-
Reserve & Surplus		798,418
Secured Loans		545,340
Unsecured Loans		158,931
Deferred Tax Liability (Net)		5,310
<b>APPLICATION OF FUNDS</b>		
Net Fixed Assets		280,262
Investments		651,179
Net Current Assets		689,049
Miscellaneous Expenditure (To the extent not written off or adjusted)		4,310
<b>IV) Performance of the Company (Amount in Rs. Thousands)</b>		
Turnover (Gross Receipts)		547,818
Total Expenditure		386,377
Profit before Tax		161,441
Profit after Tax		143,466
Earning per Share (Basic) Rs.		2.46
Earning per Share (Diluted) Rs.		2.46
<b>V) Generic Names of Three Principal products / service of the Company</b>		
(As per monetary terms)		
Item Code No.(ITC CODE)		NOT APPLICABLE
Product Description		I.T. Enabled Service- BPO

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR J.L. BHATT & CO.**  
CHARTERED ACCOUNTANTS

**CHETAN KOTHARI**  
MANAGING DIRECTOR

**HIREN KOTHARI**  
DIRECTOR

**YOGESH BHATT**  
PARTNER  
(M.No.30170)

**JAYANT TANKSALE**  
EXECUTIVE DIRECTOR-  
OPERATIONS

**G.T.SHENOY**  
COMPANY SECRETARY

PLACE : MUMBAI  
DATE : 29th May, 2010

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in Lacs)

	For the year ended 31st March 2010	For the year ended 31st March 2009
<b>A Cash flow from Operating activities:</b>		
Profit Before Tax	1,614.41	1,593.75
<u>Adjustment for:</u>		
Depreciation	368.28	319.28
Interest expenses	789.37	591.95
Interest Received	(121.13)	(73.12)
Forex fluctuation	194.64	(565.29)
Miscellaneous Expenses W/off	7.05	7.05
Loss on Sale of Fixed Assets	2.37	2.16
<b>Operating Profit before Working capital changes</b>	<b>2,854.99</b>	<b>1,875.79</b>
<u>Adjustment for:</u>		
Inventory	1.19	(28.59)
Trade and other receivable	(566.42)	(915.64)
Trade payables	(27.44)	100.55
<b>Cash generated from Operating activity</b>	<b>2,262.32</b>	<b>1,032.12</b>
Direct Taxes (paid) / refund	(279.50)	(55.46)
<b>Operating Cash flow before prior period item</b>	<b>1,982.82</b>	<b>976.66</b>
Prior period income / (expenses)	-	(0.43)
<b>Net cash from Operating activity</b>	<b>1,982.82</b>	<b>976.23</b>
<b>B Cash flow from Investing activity</b>		
Sale / (Purchase) of fixed assets	(1,097.02)	(510.66)
Purchase of Investments	(278.82)	(3,075.83)
Interest received	121.13	73.12
Inter Corporate Deposit placed	(341.10)	33.62
<b>Net cash used in Investing activity</b>	<b>(1,595.80)</b>	<b>(3,479.76)</b>
<b>C Cash Flow from Financing activities</b>		
Proceeds of borrowings	940.11	3,709.28
Repayment of borrowings	(461.00)	-
Interest paid	(789.37)	(591.95)
Dividend Paid	(116.80)	(268.10)
Dividend tax paid	(19.85)	(45.56)
Proceeds from Issue of share capital	-	11.14
<b>Net Cash from Financing activities</b>	<b>(446.92)</b>	<b>2,814.81</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(59.90)</b>	<b>311.28</b>
Cash and Cash equivalent as at April 1, 2009	538.61	227.32
Cash and cash equivalent as at March 31, 2010	478.71	538.61

### AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of Tricom India Limited, derived from the audited financial statements and books and records maintained by the company for the year ended 31st March, 2010 and found the same in agreement therewith.

AS PER OUR REPORT OF EVEN DATE

**FOR J.L. BHATT & CO.**

Chartered Accountants

**YOGESH BHATT**

PARTNER

(M.No.30170)

PLACE: MUMBAI

DATE : 29th May, 2010

FOR AND ON BEHALF OF THE BOARD

**CHETAN KOTHARI**

MANAGING DIRECTOR

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

	Name of the Subsidiary Company	Tricom Document Management Inc. *	Pacific Data Centers Inc. #	Tricom Data Services Inc.*	Tricom Software Services Inc.*	Tricom Litigation Coding Services Inc.*	Tricom Data Discovery Services Inc.*	Tricom Infotech Solutions Limited	Tricom Infotech Solutions (Cyprus) Limited	Tricom Infotech Solutions, Inc.
	Financial Year ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
1	Capital	474,531,486	733,525	12,932,745	92,443,515	141,555,023	148,108,132	121,391,773	149,639,100	23,021
2	Reserves	(76,423,581)	(39,473,683)	9,885,194	4,033,915	6,706,666	21,825,976	84,380,204	6,736,687	153,026,143
3	Total Assets	555,372,080	77,497,321	22,817,940	96,477,430	190,550,020	169,934,108	292,487,439	156,375,787	172,153,361
4	Total Liabilities	555,372,080	77,497,321	22,817,940	96,477,430	190,550,020	169,934,108	292,487,439	156,375,787	172,153,361
5	Details of Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-
6	Turnover	246,730,415	71,057,392	72,877,770	17,997,508	28,188,529	145,601,778	156,092,357	-	151,029,264
7	Profit/(Loss) before taxation	(51,459,320)	(17,531,432)	9,885,194	4,033,915	6,706,666	21,825,976	56,470,273	234,006	4,747,151
8	Provision for taxation	1,155,405	-	-	-	-	-	(4,490,396)	132,035	2,633,648
9	Profit after taxation	(52,614,725)	(17,531,432)	9,885,194	4,033,915	6,706,666	21,825,976	60,960,669	101,972	2,113,503
10	Proposed/Interim Dividend	-	-	-	-	-	-	-	-	-
	Exchange Rate Used	45.14	45.14	45.14	45.14	45.14	45.14		45.14	45.14
	Local Currency	USD	USD	USD	USD	USD	USD	INR	USD	USD

Information on Subsidiaries is provided in compliance with the Central Government Approval dated 25/8/2010. We undertake to make available the audited annual accounts and related information of Subsidiaries, where applicable, upon request by any of our shareholders.

\* The financial year of this company ends on 31st December 2009. However, the results given are as of March 31, 2010.

# The financial year of this company ends on 30th June 2009. However, the results given are as of March 31, 2010.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR J.L. BHATT & CO.**  
CHARTERED ACCOUNTANTS

**CHETAN KOTHARI**  
MANAGING DIRECTOR

**HIREN KOTHARI**  
DIRECTOR

**YOGESH BHATT**  
PARTNER  
(M.No.30170)

**JAYANT TANKSALE**  
EXECUTIVE DIRECTOR-  
OPERATIONS

**G.T.SHENOY**  
COMPANY SECRETARY

PLACE : MUMBAI  
DATE : 29th May, 2010

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors.

### **Tricom India Limited.**

1. We have audited the attached Consolidated Balance Sheet of **Tricom India Limited** as at **31<sup>st</sup> March, 2010**, and the Consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Tricom India Ltd's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit financial statement of subsidiaries, whose financial statements reflect total assets of Rs.1137.79 Lacs as at 31<sup>st</sup> March, 2010 and total revenue of Rs. 3589.70 Lacs and net cash inflows amounting to Rs.67.19 Lacs for the year then ended. These financial statements have been audited by other Auditors whose reports have been furnished to us and in our opinion, in so far it relates to the amounts included in respect of subsidiaries, is based solely on the report of other Auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Tricom India Ltd's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, {Accounting Standards (AS) 23, Accounting for investment in Associates in Consolidated financial statements and Accounting Standard (AS)27, Financial Reporting of interests in joint Ventures} as notified by Companies (Accounting Standards) Rules,2006.
5. In our opinion and to the best of our information and according to the explanation given to us the consolidated financial statements together with Notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Tricom India Limited as at 31<sup>st</sup> March,2010.
  - b) In the case of the consolidated profit and loss account of the profit/loss for the year ended on that date; and
  - c) In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

**For J. L. BHATT & CO.**  
**Chartered Accountants**

**YOGESH BHATT.**  
**Partner**  
**Membership No. 30170**

Place : Mumbai  
Date : 29<sup>th</sup> May '2010.

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010**

	SCHEDULE	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDER'S FUND</b>			
Share Capital	A	116,800,900	116,800,900
Reserves & Surplus	B	806,890,221	641,416,721
<b>LOAN FUNDS</b>			
Secured Loans	C	632,858,054	510,492,908
Unsecured Loans	D	167,772,772	213,498,928
Deferred Tax Liability		14,257,701	7,678,622
<b>TOTAL</b>		<b>1,738,579,648</b>	<b>1,489,888,080</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
Gross Block :	E	879,112,068	661,776,107
Less : Accumulated Depreciation		188,046,949	157,272,996
Net Block		691,065,119	504,503,111
Add: Capital Work in Progress		55,151,984	37,555,833
<b>Total Fixed Assets</b>		<b>746,217,104</b>	<b>542,058,944</b>
<b>INVESTMENTS</b>	F	49,000	49,000
<b>DEFERRED TAX ASSET</b>		11,378,649	5,473,368
<b>CURRENT ASSETS , LOANS AND ADVANCES</b>			
Work in Progress (Certified by Management)		5,265,000	5,383,700
Sundry Debtors	G	641,410,077	642,012,423
Cash & Bank Balances	H	71,127,165	70,397,975
Loans & Advances	I	456,877,200	433,389,299
		<b>1,174,679,442</b>	<b>1,151,183,397</b>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	J	97,228,606	150,750,861
Provisions	K	100,825,973	63,140,981
		<b>198,054,579</b>	<b>213,891,843</b>
<b>NET CURRENT ASSETS</b>		976,624,863	937,291,554
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)		4,310,033	5,015,213
<b>TOTAL</b>		<b>1,738,579,648</b>	<b>1,489,888,080</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	O		
<b>NOTES TO THE ACCOUNTS</b>	P		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR J.L. BHATT & CO.**  
 CHARTERED ACCOUNTANTS

**CHETAN KOTHARI**  
 MANAGING DIRECTOR

**HIREN KOTHARI**  
 DIRECTOR

**YOGESH BHATT**  
 PARTNER  
 (M.No.30170)

**JAYANT TANKSALE**  
 EXECUTIVE DIRECTOR-  
 OPERATIONS

**G.T.SHENOY**  
 COMPANY SECRETARY

 PLACE : MUMBAI  
 DATE : 29th May, 2010

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

SCHEDULE	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
<b>INCOME :</b>		
Income from Operations	902,069,328	852,627,878
Other Income	4,718,050	3,231,575
<b>TOTAL</b>	<b>906,787,378</b>	<b>855,859,453</b>
<b>EXPENDITURE :</b>		
(Increase) / Decrease in Work in Progress	118,700	(2,858,600)
Staff Expenses	L 323,014,003	408,353,072
Administrative & Other Expenses	M 177,563,038	216,089,620
Exchange Loss	99,328,869	(38,803,749)
<b>TOTAL</b>	<b>600,024,610</b>	<b>582,780,343</b>
<b>PROFIT BEFORE INTEREST ,DEPRECIATION AND TAX</b>	<b>306,762,767</b>	<b>273,079,110</b>
Less: Interest & Finance Charges (Net)	N 94,158,967	61,559,686
<b>PROFIT BEFORE DEPRECIATION AND TAX</b>	<b>212,603,800</b>	<b>211,519,424</b>
Depreciation	48,013,734	53,120,866
<b>PROFIT BEFORE TAX</b>	<b>164,590,066</b>	<b>158,398,558</b>
Less : Provision For Income Tax	35,841,479	17,804,785
Less : MAT Credit Entitlement	(34,435,991)	(17,042,277)
Less : Deferred Tax	777,081	(3,946,111)
Less : Fringe Benefit Tax	-	1,041,502
<b>PROFIT AFTER TAX BUT BEFORE EXCEPTIONAL ITEMS</b>	<b>162,407,496</b>	<b>160,540,659</b>
EXCEPTIONAL ITEMS :		
Amortisation of Foreign Currency Monetary Item Translation Difference	15,424,737	18,843,023
<b>NET PROFIT FOR THE PERIOD</b>	<b>146,982,759</b>	<b>141,697,636</b>
Add: Balance Brought Forward from Last Year	421,351,351	293,584,901
	568,334,110	435,282,537
Less: (Income)/Expenditure For Earlier Years	-	266,065
	568,334,110	435,016,472
<b>APPROPRIATION</b>		
Proposed Dividend	14,016,108	11,680,090
Dividend Tax	2,382,038	1,985,031
General Reserve	10,000,000	-
Carried To Balance Sheet	541,935,964	421,351,351
<b>EARNING PER SHARE</b>		
Basic	2.52	2.43
Diluted	2.52	2.43
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	O	
<b>NOTES TO THE ACCOUNTS</b>	P	

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

**FOR J.L. BHATT & CO.**  
CHARTERED ACCOUNTANTS

**CHETAN KOTHARI**  
MANAGING DIRECTOR

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**JAYANT TANKSALE**  
EXECUTIVE DIRECTOR-  
OPERATIONS

**G.T.SHENOY**  
COMPANY SECRETARY

PLACE : MUMBAI  
DATE : 29th May, 2010

**SCHEDULES FORMING PART OF BALANCE SHEET**

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
<b>SCHEDULE A :</b>		
<b>SHARE CAPITAL :</b>		
<b>AUTHORISED CAPITAL :</b>		
8,75,00,000 (Previous year : 8,75,00,000) Equity Shares of Rs.2/- each	175,000,000	175,000,000
2,50,000 (Previous year : 2,50,000) Preference Shares of Rs.100/- each	25,000,000	25,000,000
<b>TOTAL</b>	<b>200,000,000</b>	<b>200,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL :</b>		
5,84,00,450 (Previous year: 584,00,450) Equity Shares of Rs.2/- each	116,800,900	116,800,900
<b>TOTAL</b>	<b>116,800,900</b>	<b>116,800,900</b>
<b>SCHEDULE B :</b>		
<b>RESERVES &amp; SURPLUS :</b>		
<b>Share Premium</b>		
Opening Balance	216,277,650	215,921,400
Add: On Issue of Equity Shares under ESOP Scheme,2004	-	356,250
Add: Transferred during the year from Employee Stock Option	3,990,480	-
	<b>220,268,130</b>	<b>216,277,650</b>
<b>Capital Reserve</b>		
Opening Balance	31,995	31,995
	<b>31,995</b>	<b>31,995</b>
<b>General Reserve</b>		
Opening Balance	37,451,296	37,451,296
Add : Transferred During the year	10,000,000	-
	<b>47,451,296</b>	<b>37,451,296</b>
<b>Employee Stock Option Outstanding</b>		
Opening Balance	3,990,480	3,408,600
Net Charge for the Year	-	581,880
Less: Transferred to Share Premium A/c	3,990,480	-
	<b>-</b>	<b>3,990,480</b>
<b>Foreign Currency Monetary Item Translation Difference</b>	<b>(2,797,164)</b>	<b>(37,686,046)</b>
<b>Balance as per Profit &amp; Loss Account</b>	<b>541,935,964</b>	<b>421,351,351</b>
<b>TOTAL</b>	<b>806,890,221</b>	<b>641,416,726</b>

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
<b>SCHEDULE C :</b>		
<b>SECURED LOANS :</b>		
A. Loans from Banks		
Term Loans & Buyer's Credit	506,420,083	371,357,754
Working Capital Loans	120,522,526	136,229,942
	626,942,609	507,587,696
B. Vehicle Loans	5,915,444	2,905,212
<b>TOTAL</b>	<b>632,858,054</b>	<b>510,492,908</b>
<b>SCHEDULE D :</b>		
<b>UNSECURED LOANS :</b>		
A. 1,31,35,050 8% Optionally Fully Convertible Debentures of Rs. 10/- each, fully paid up.	-	131,350,500
B. Inter Corporate Deposits	149,431,456	48,750,000
C. From others	18,341,316	33,398,428
<b>TOTAL</b>	<b>167,772,772</b>	<b>213,498,928</b>



**SCHEDULES FORMING PART OF BALANCE SHEET**
**SCHEDULE : E  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1-Apr-09	Additions during the Year	Deductions	As at 31-Mar-10	For the Period	Deductions	As at 31-Mar-10	As at 31-Mar-09
<b>TANGIBLE ASSETS</b>								
AIR CONDITIONERS	3,823,900	-	-	<b>3,823,900</b>	181,640	-	<b>607,755</b>	3,397,785
COMPUTERS	121,432,713	6,297,872	9,220,250	<b>118,510,335</b>	13,940,803	9,220,250	<b>77,711,248</b>	48,442,018
ELECTRICAL INSTALLATIONS	11,267,520	-	334,444	<b>10,933,076</b>	519,316	334,445	<b>2,079,827</b>	9,372,564
FAX MACHINE	11,055	-	-	<b>11,055</b>	527	-	<b>2,978</b>	8,604
FURNITURE & FIXTURES	48,901,885	252,299	7,498,201	<b>41,655,983</b>	2,698,247	7,498,201	<b>9,428,856</b>	34,673,075
OFFICE EQUIPMENTS	13,253,643	8,680	-	<b>13,262,323</b>	1,096,057	-	<b>10,448,748</b>	3,900,951
MOTOR CARS	10,229,764	2,038,463	540,222	<b>11,728,005</b>	814,984	186,910	<b>3,445,724</b>	7,412,115
TELEPHONE INSTALLATIONS	303,808	-	-	<b>303,808</b>	14,431	-	<b>70,406</b>	247,833
LEASEHOLD IMPROVEMENTS	2,035,412	-	-	<b>2,035,412</b>	108,271	-	<b>1,983,582</b>	160,102
STORAGE BINS	95,649	-	-	<b>95,649</b>	22,707	-	<b>50,212</b>	68,143
<b>INTANGIBLE ASSETS</b>								
GOODWILL*	328,341,217	85,339,773	-	<b>413,680,990</b>	-	-	<b>1,859,218</b>	326,481,999
CUSTOMER RELATED INTANGIBLES	28,487,029	-	-	<b>28,487,029</b>	-	-	<b>28,487,029</b>	-
SOFTWARE PURCHASED	46,079,472	133,352,132	-	<b>179,431,604</b>	13,661,568	-	<b>31,834,156</b>	27,906,885
SOFTWARE DEVELOPMENT @ (Refer Note 9 of Schedule P)	47,513,040	7,639,859	-	<b>55,152,899</b>	14,955,183	-	<b>20,037,210</b>	42,431,013
<b>Total</b>	<b>661,776,107</b>	<b>234,929,079</b>	<b>17,593,117</b>	<b>879,112,068</b>	<b>48,013,734</b>	<b>17,239,806</b>	<b>188,046,949</b>	<b>504,503,111</b>
Previous Year	493,895,990	219,728,482	51,848,345	<b>661,776,107</b>	53,120,866	42,082,114	504,503,111	195,789,316

\*Goodwill includes Goodwill on Consolidation Rs.151,704,840/-

## SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
<b>SCHEDULE F :</b>		
<b>INVESTMENTS (At cost) - Long Term</b>		
<b>NON TRADE</b>		
<b>OTHERS</b>		
4900 Equity Shares of Malad Sahakari Bank Ltd. Of Rs. 10/- each	49,000	49,000
<b>TOTAL</b>	<b>49,000</b>	<b>49,000</b>
<b>SCHEDULE G :</b>		
<b>SUNDRY DEBTORS (UNSECURED &amp; CONSIDERED GOOD)</b>		
Outstanding for a period		
- Exceeding Six Months	336,824,185	413,236,881
- Others	304,585,891	228,775,542
<b>TOTAL</b>	<b>641,410,077</b>	<b>642,012,423</b>
<b>SCHEDULE H :</b>		
<b>CASH &amp; BANK BALANCES :</b>		
Cash on hand	508,850	1,475,894
Balances with Scheduled Banks		
- in Current Accounts	23,173,684	13,602,805
- in EEFC Account	499,785	598,203
- in Fixed Deposit Account *	41,860,198	48,058,419
- in RD Accounts*	5,084,648	6,662,654
* Pledged with a Bank		
<b>TOTAL</b>	<b>71,127,165</b>	<b>70,397,975</b>
<b>SCHEDULE I :</b>		
<b>LOANS &amp; ADVANCES (UNSECURED) (CONSIDERED GOOD):</b>		
Loans to Companies & Other Parties	195,102,570	204,643,175
Advance Recoverable in Cash or Kind or for value to be received	62,146,009	99,088,794
Security Deposits	32,024,406	27,625,874
Prepaid Expenses	49,399,473	47,367,702
Income Tax Advance	118,204,742	54,663,754
<b>TOTAL</b>	<b>456,877,200</b>	<b>433,389,299</b>

**SCHEDULES FORMING PART OF BALANCE SHEET**

	<b>As at 31st March 2010 Rupees</b>	<b>As at 31st March 2009 Rupees</b>
<b>SCHEDULE J :</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors	16,601,411	19,246,435
Other Liabilities	80,627,195	131,504,426
<b>TOTAL</b>	<b>97,228,606</b>	<b>150,750,861</b>
<b>SCHEDULE K :</b>		
<b>PROVISIONS :</b>		
Provision for Income Tax	73,889,253	38,404,041
Provision for Fringe Benefit Tax	3,686,573	3,686,573
Proposed Dividend	14,016,108	11,680,090
Provision for Tax on Dividend	2,382,038	1,985,031
Provision for Retirement Benefits Scheme	6,852,001	7,385,246
<b>TOTAL</b>	<b>100,825,973</b>	<b>63,140,981</b>

## SCHEDULES TO PROFIT & LOSS ACCOUNT

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
<b>SCHEDULE L :</b>		
<b>STAFF COST</b>		
Salaries, Wages and bonus	294,846,739	382,361,627
Contribution to Provident and Other Funds	11,472,707	15,870,057
Directors' Remuneration	13,389,996	7,500,000
Employee Compensation Account under ESOP	-	581,880
Staff Welfare	5,907,855	7,967,793
	325,617,296	414,281,357
Less: Software Development Cost (See Note no. 9 of Schedule P)	2,603,293	5,928,285
<b>TOTAL</b>	<b>323,014,003</b>	<b>408,353,072</b>
<b>SCHEDULE M :</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement and Sales Promotion	2,344,863	8,569,026
Auditors Remuneration	2,854,051	2,820,602
Bank Charges	3,626,922	4,233,091
Collection Charges	-	919,800
Rebates & Discount	4,318,328	-
Courtesy Discount	378,921	420,459
Bad Debts Written Off	319,030	2,830,329
Communication charges	14,401,781	17,788,936
Directors Sitting Fees	235,000	285,000
Donations	906,015	879,465
Electricity Charges	17,845,955	18,242,488
Foreign travel	3,579,812	4,081,862
Insurance Charges	9,299,963	10,659,899
Legal & Professional Fees	25,900,844	23,683,162
Office Expenses & Utilities	2,049,284	-
Miscellaneous Expenses	4,699,495	12,665,647
Motor Car Expenses	1,379,510	2,946,613
Miscellaneous Expenditure Written Off	705,180	705,180
Printing & Stationery	1,265,161	1,873,300
Loss on sale of Investments/Fixed Assets	237,241	1,939,353
Repair & Maintenance Charges	5,963,622	5,084,453
Service charges	9,016,469	23,801,696
Security Charges	1,943,780	2,222,764
Software Development & Maintenance Charges	439,165	1,419,637
Taxes	459,059	-
Rent Rates & taxes	48,114,108	48,640,853
Travelling and Conveyance Charges	12,710,659	17,080,070
Water Charges	645,118	459,919
Commission	6,960,267	6,047,856
	182,599,604	220,301,463
Less: Capitalisation of Software-(Refer Note No. 9 of Schedule P)	5,036,566	4,211,838
<b>TOTAL</b>	<b>177,563,038</b>	<b>216,089,625</b>

## SCHEDULES TO PROFIT & LOSS ACCOUNT

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
<b>SCHEDULE N :</b>		
<b>INTEREST &amp; FINANCE COST (Net) :</b>		
Finance Charges	10,809,580	8,785,479
Interest paid		
Interest on Fixed Loans		
- Banks	38,371,248	35,417,592
- Others	40,373,808	15,281,102
Interest on Cash Credit	11,297,071	7,069,331
	100,851,706	66,553,504
Less: Interest earned	6,692,739	4,993,818
<b>TOTAL</b>	<b>94,158,967</b>	<b>61,559,686</b>

## Significant Accounting Policies and Notes on Accounts

### SCHEDULE – O

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1) Basis of preparation of Financial Statement

The financial statements have been prepared under the historical cost convention, on the basis of going concern and on accrual method of accounting, in accordance with Normally Accepted Accounting Principles and provisions of the Companies Act, 1956 as adopted consistently by the company. All incomes and expenditures having material bearing on financial statements are recognized on accrual basis. The company has complied with all the mandatory Accounting Standards ('AS') to the extent applicable as prescribed by the Company's (Accounting Standards) Rules, 2006, the provisions of the Companies Act 1956. The Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The preparation of the financial statements in conformity with Normally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the report amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which it gets materialized.

##### 2) Basis of Consolidation

- (a) The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, and the Accounting Standards issued by the Institute of Chartered Accountants of India. (ICAI).
- (b) Tricom Document Management Inc. and its Subsidiaries Tricom Data Services Inc., USA, Tricom Software Services, Inc., USA, Tricom Litigation Coding Services, Inc., USA, Tricom Data Discovery Services, Inc. USA follows calendar year as their accounting year. However, the accounts for April 1, 2009 to March 31, 2010 are also audited and are considered for the purpose of consolidation.
- (c) Pacific Data Centers Inc., USA. follows July to June year as their accounting year. However, the accounts for April 1, 2009 to March 31, 2010 are also audited and are considered for the purpose of consolidation.
- (d) Tricom Infotech Solutions Limited (formerly Godrej Global Solutions Limited) and its subsidiaries Tricom Infotech Solutions (Cyprus) Limited and Tricom Infotech Solutions, Inc. follow the financial year as their accounting year.
- (e) Consolidated financial statements relates to Tricom India Limited, the Parent Company and its Wholly Owned Subsidiary, Tricom Document Management

Inc., USA, and its subsidiaries Pacific Data Centers Inc., USA, Tricom Data Services Inc., USA, Tricom Software Services, Inc., USA, Tricom Litigation Coding Services, Inc., USA, Tricom Data Discovery Services, Inc. USA and Tricom Infotech Solutions Limited (formerly Godrej Global Solutions Limited) and its subsidiaries Tricom Infotech Solutions (Cyprus) Limited and Tricom Infotech Solutions, Inc. The consolidated financial statements are in conformity with the AS-21 issued by the ICAI and are prepared on the following:

- (i) The financial statements of the Company and its subsidiaries have been combined on line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits and losses.
- (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (iii) The excess of cost to the Company of its investment in the subsidiary is recognized in the financial statements as Goodwill and will be tested for impairment on an annual basis as referred in para 4)(a) below.
- (iv) The accounting policies of certain subsidiaries especially regarding the method of depreciation, amortization of technical knowhow and accounting for retirement benefits are not in consonance with the group accounting policies. No effect has been given in the consolidated financial statements on account of such differing accounting policies, where the impact is not expected to be material.

##### 3) Revenue Recognition

- (a) Revenue from services is recognized based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognized on periodical basis based on units executed and delivered.
- (b) Revenue from sale of software is recognized on delivery and transfer of ownership of the software to the clients.
- (c) Revenue from sale of software licences are recognized upon delivery where there is no customization required. In case of customization the same is recognized over the life of the contract using the proportionate completion method
- (d) Other Income: Interest on inter-corporate deposits / loans etc. are accounted on accrual basis. Dividend

income is accounted for when right to receive is established.

#### **4) Fixed Asset, including goodwill, intangible assets and Capital work-in-progress**

##### **(a) Fixed Assets:**

Fixed Assets are stated at cost inclusive of expenses less accumulated depreciation. For this purpose cost comprises of cost of acquisition and all costs directly attributable to bringing the asset to the present condition for its intended use. Capital work in progress comprises advance paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition. Goodwill comprises the excess of purchase consideration over the fair value of the net assets of the acquired enterprise. Impairment of goodwill is evaluated annually, unless it indicates a more frequent evaluation. Impairment is recorded in the profit and loss account to the extent the net discounted cash flows from the continuance of the acquisition are lower than its carrying value.

##### **(b) Method of Depreciation:**

Depreciation is provided during the year under Straight Line method, on pro-rata basis on assets put to use at the rates prescribed under Schedule XIV of the Companies Act, 1956. Individual low cost assets (acquired for less than Rs.5,000/-) are entirely depreciated in the year of acquisition.

#### **5) Investments :**

Investments are valued at cost inclusive of all expenses incidental to their acquisition. All the investments are intended to be held for a period of more than one year from the date on which investments is made are classified as long term investments. All long term investments are carried at cost. No provision for diminution in value of long term investments is made. Overseas Investments are carried at their original rupee cost.

#### **6) Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rates of exchange prevailing on the date of transactions. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred, is converted into Indian Rupees. The exchange differences arising on foreign currency transactions are recognized as income or expense in the year in which they arise.

Forward premia in respect of forward exchange contracts are recognized over the life of the contract.

Fixed assets purchased are recorded at cost, based on the exchange rate as of the date of purchase.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account.

#### **7) Foreign Subsidiary Translation :**

Translation of foreign subsidiaries is done in accordance with AS-11 (Revised) "The Effects of Changes in Foreign Exchange Rates". In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the year. Exchange gain/(loss) are recognized in the Profit and Loss Account.

#### **8) Retiring Benefits:**

##### **(a) Defined Contribution Plan :**

Contribution to Provident Fund and Family Pension Fund, ESI are recognized in the Profit and Loss Account on accrual basis.

##### **(b) Defined Benefit Plan :**

Liabilities under Payment of Gratuity Act, long term compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The liability is determined on the basis of an independent actuarial valuation done at the year end. The liability is computed based on current salary levels projected to the probable due date. The method employed is projected unit credit method.

#### **9) Taxation**

Provision for current Income tax is made after taking into consideration various benefits / exemptions available under the laws of the respective country.

MAT credit asset pertaining to the Parent and its Indian subsidiary company is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Provision for Fringe Benefit Tax (FBT) is made in accordance with the Income Tax Act, 1961.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

The deferred tax assets/liabilities and tax expenses are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

#### 10) Inventory:

Work in Progress is valued at cost.

#### 11) Software:

The company has internally developed software for its captive use for the various long term projects received and also developed software for sale of its licences. The cost of this software is capitalized and shown as Intangible assets under the Group Fixed Assets . This amount would be amortised beginning from the year subsequent to the year in which the said is put to use and/or sale of its licences. The amortization period would be the project period or three equal yearly installments whichever is less.

#### 12) Earning per Share :

In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

#### 13) Contingent Liability :

Claims against the Company are recognised when Board of Directors determine that it is probable that the liability will be payable. Claims made by the Company are recognised when formal intimation of the acknowledgement of the Claim is received from the counter parties.

#### 14) Leases:

In respect of Operating leases, lease rentals are expensed with reference to the terms of lease

15) The Ministry of Corporate Affairs, Government of India vide its letter dated 25<sup>th</sup> August, 2010 ,has exempted Tricom India Limited from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the company required u/s 212 of the Companies Act, 1956.

#### 16) Miscellaneous Expenditure (To the extent not written off or adjusted)

Expenses incurred would be amortised over a period of ten years beginning from the date of incurrence.

17) Accounting policies not specifically referred to are consistent with the Indian Normally Accepted Accounting Principles.

## SCHEDULE : P

### NOTES FORMING PART OF ACCOUNTS

#### 1) Contingent Liability

	As at March 31, 2010	As at March 31, 2009
	Rs.in Lacs	Rs.in Lacs
i. Bank Guarantees issued to Customs Authorities	3.40	3.40
ii. Appeals filed at different forums/authorities in respect of disputed demands:		
Income Tax	28.25	92.00
iii. Bank Guarantees issued on behalf of Subsidiaries	338.55	764.25

Note : Future cash outflows in respect of (ii) above are determinable only on receipt of judgements/decisions pending with the respective forums/authorities.

2) In the opinion of the Board, the Current Assets, Loans and Advances have been stated at a value realisable in the ordinary course of business. Few debtors, creditors and loans and advances are subject to confirmation and reconciliation if any.

#### 3) Security for Secured Loans

(a) Loans from Banks are secured by way of hypothecation of fixed assets except Vehicles of the Company, book debts, pledge of fixed and recurring deposits with a Bank and further secured by personal guarantee of a Director and corporate guarantee of its subsidiary Tricom Document Management Inc., U.S.A.

(b) Vehicle Loans from Banks are secured against the vehicle financed by respective banks..

4) As per the notification dated March 31, 2009 , by The ministry of Corporate Affairs, in respect of provisions of Accounting Standard (AS-11) "The Effect of Changes in Foreign Exchange Rates" ,exchange loss of Rs.27.97 Lacs (net of Rs.154.25 Lacs amortised during the year) is reported as Foreign Currency Monetary item Translation Difference under the head Reserves & Surplus and will be amortised over the term of the loan but not beyond 31<sup>st</sup> March 2011.

5) Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. Accordingly Rs.344.35 Lacs is recognised as asset for the Financial year in the balance sheet.



## 6) Retirement benefits

### i. Defined Contribution Plans:

Amount of Rs. 98.64 lacs is recognized as an expense and included in "Contribution to provident and other funds" in the profit and loss account.

### ii. Defined Benefit Plans:

#### a) General Descriptions of defined plans (Gratuity Plan)

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service.

#### b) The amounts recognized in Balance Sheet are as follows:

Rs.in Lacs

Period Beginning	31-3-2010	31-3-2009
Present Value of obligation	68.52	62.03
Present Value of Assets	--	--
Liability recognized in Balance Sheet	68.52	62.03

#### c) The amounts recognized in Profit and Loss Account are as follows:

Rs.in Lacs

Period Beginning	31-03-2010	31-3-2009
Current service Cost	15.30	18.36
Interest Cost	5.27	2.90
Expected Return on Plan Assets	--	--
Net Actuarial gain	(11.80)	0.34
Net Periodic Cost	8.78	21.60

#### d) Movement in net liability recognized in Balance Sheet

Rs.in Lacs

Period beginning	31-3-2010	31-3-2009
Opening net liability	62.03	47.82
Expenses as above	8.78	21.60
Contributions Paid	(2.29)	(7.39)
Closing net liability	68.52	62.03

#### e) Actuarial Assumptions

##### ECONOMIC ASSUMPTIONS:

- Interest (Discount Rate)  
The discount rate of 8.5% has been used for the purpose of Actuarial valuation of the Liability.
- Salary Increment Rate

Keeping in view the long term nature of the liability and increasing trend of inflation; the salary incremental rate of 6% would be appropriate to project the future salary Growth.

#### DEMOGRAPHIC ASSUMPTIONS:

- Mortality  
The latest compiled Table LIC a (1994-96) is used for the purpose of valuation:
- Retirement Age  
The employees in all cadre retire at 58 years
- Withdrawal:  
Attrition rate of 2% up to 44 and 1% thereafter is used. Provision for VRS or redundancy is not made.

## 7) Remuneration & Perquisite to Managing Directors & Executive Directors

Managerial Remuneration paid:

(Rs.in Lacs)

Sr. No.	Particulars	Managing Directors		Executive Directors	
		2009-10	2008-09	2009-10	2008-09
1	Salaries & Allowances	106.78	115.52	62.88	110.49
	Total	106.78	115.52	62.88	110.49

In case of one of the subsidiary company viz. Tricom Infotech Solutions Limited the managerial remuneration paid by the Company to Managing Director is in excess of the provision of Schedule XIII part II(B). The Company has applied to the Central Government for obtaining approval for payment of remuneration to the managing director in excess of the limits prescribed under the Companies Act, 1956.

## 8) Employee's Stock Option Scheme:

Pursuant to the Board resolution dated January 21, 2005, the company has granted 203,500 stock options on January 21, 2005 to the eligible employees. The total options of 203,500 are granted with the total vesting period of 36 months and exercise period of 6 months from the respective vesting dates.

#### Details of Option Granted and Lapsed

	March 31, 2010	March 31, 2009
Option Granted and outstanding at the beginning of the year.	NIL	38,000
Less: Lapsed during the year	---	14,250
Less : Allotted during the year	---	23,750
Options granted and outstanding at the end of the year	NIL	NIL

The stock option discount in the aforesaid scheme computed as per SEBI guidelines in this respect, is being amortised on a straight line basis over the vesting period. Accordingly, during the year Rs.NIL (Previous Year Rs. 5.82 Lacs) being the proportionate charge of option discount for the year, has been included in the staff cost.

## 9) Intangible Assets

During the year on the basis of technical evaluation done by the Management, the company has internally developed software for its captive use for the various long term projects received. The cost of Rs. 76.40 Lacs (Previous Year Rs. 101.40 Lacs) is capitalized and shown as Intangible assets under the Group Fixed Assets .

**10)** The Group's significant leasing agreements are in respect of operating lease for office premises. These leasing agreements are cancelable and renewable by mutual consent on mutually acceptable terms. The aggregate lease rentals payable by the company are charged to profit and loss account as a rent amounting to Rs. 481.14 Lacs (Previous year: Rs. 486.41 Lacs). The future minimum lease payments under non-cancelable operating leases due within a period of one year are estimated at Rs. 377.56 Lacs (Previous year: Rs. 254.56 Lacs) and due later than one year but not later than five years are estimated at Rs. 780.60 Lacs. (Previous year Rs. 645.35 Lacs).

## 11) Earnings Per Share

(Rs.in Lacs)

	2009-10	2008-09
1. Net Profit After Tax available for Equity Shareholder	1,469.83	1,414.32
2. Prior Period Items	--	2.66
3. Adjusted Profit	1,469.83	1,416.98
4. Weighted Average No of Shares	5,84,00,450	5,83,44,988
5. Basic Earnings Per Share	2.52	2.43
6. Weighted Average No. of Shares after possible dilution of ESOP	5,84,00,450	5,83,44,988
7. Diluted Earnings Per Share	2.52	2.43

## 12) Related Party Disclosure:

Following are the interested parties with whom the transactions are carried out during the year

### RELATED PARTIES

a. Subsidiary Companies :

- i. Tricom Document Management Inc.
- ii. Tricom Infotech Solutions Limited
- iii. Pacific Data Centers, Inc.\*

- iv. Tricom Infotech Solutions (Cyprus) Limited #
- v. Tricom Infotech Solutions, Inc.##
- vi. Tricom Software Services,Inc.\*
- vii. Tricom Data Services, Inc.\*
- viii. Tricom Litigation Services, Inc.\*
- ix. Tricom Data Discovery Services, Inc.\*

\* Held through Tricom Document Management Inc.

# Held through Tricom Infotech Solutions Ltd.

## Held through Tricom Infotech Solutions (Cyprus) Limited

b. Executive Directors:

- i. Mr. Chetan S. Kothari - Managing Director
- ii. Mr. Jayant B. Tanksale – Executive Director – Operations
- iii. Mr. Sameer Sheth – Director
- iv. Mr. Sanjay Tipnis – Managing Director

c. Non-Executive Directors

- i. Mr. Shailesh Bathiya
- ii. Mr. Gautam Berry
- iii. Mr. Hariom Tulsyan
- iv. Mr. Baldev Boolani
- v. Mr. Anil Bakshi
- vi. Mr. Rasik Chaturvedi

d. Entities having significant influence over the Company;

- i. Tricom Agrochem Limited
- ii. Adilnath Finance Private Limited
- iii. Trio Mercantile & Trading Limited

**TRANSACTIONS:**

(Rupees in Lacs)

Transactions	Subsidiary Companies		Other Related Parties	
	2009-10	2008-09	2009-10	2008-09
<b>Transactions</b>				
Sales	4144.79	4,060.83	-	-
Receipts against Reimbursement of Expenses	Nil	Nil	-	-
Commission Paid	Nil	Nil	3.00	Nil
Expenses Reimbursed	3.11	5.43	-	-
Loans and Advances given	498.15	154.74	5.00	-
Loans/Deposits taken	-	-	270.28	408.94
Loans/Deposits repaid	30.00	-	285.28	370.63
Receipt of interest on Loan	55.07	29.27	-	-
Payment of interest on loan/deposits	1.94	1.89	4.12	5.67
<b>Amount due to / from Related Parties</b>				
Outstanding Receivables	2179.33	2,649.63	-	-
Outstanding loans & Deposits	-	-	-	-
Investment in Shares	6511.30	6,232.49	-	-
Outstanding Loans and Advances given	795.16	484.02	13.57	38.31
Outstanding Loans and Advances taken	Nil	30.00	-	-

Remuneration to Mr. Chetan Kothari, Managing Director, Jayant Tanksale, Mr. Anil Bakshi, Mr. Sameer Sheth and Mr. Sanjay Tipnis Executive Directors have been given in Note No. 7 in Schedule P.

13) Figures for the previous year have been regrouped / reclassified wherever necessary to confirm the classification of the current year.

AS PER OUR REPORT OF EVEN DATE

**FOR J.L. BHATT & CO.**  
 CHARTERED ACCOUNTANTS

**YOGESH BHATT**  
 PARTNER  
 (M.No.30170)

 PLACE : MUMBAI  
 DATE : 29th May, 2010

FOR AND ON BEHALF OF THE BOARD

**CHETAN KOTHARI**  
 MANAGING DIRECTOR

**JAYANT TANKSALE**  
 EXECUTIVE DIRECTOR-  
 OPERATIONS

**HIREN KOTHARI**  
 DIRECTOR

**G.T.SHENOY**  
 COMPANY SECRETARY

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rs. in Lacs)

	For the year ended 31st March 2010	For the year ended 31st March 2009
<b>A Cash flow from Operating activities:</b>		
Profit Before Tax	1,645.90	1,583.99
Adjustment for:		
Depreciation	480.14	531.21
Interest expenses	1,008.52	665.54
Interest Received	(66.93)	(49.94)
Forex fluctuation	193.61	(502.50)
Miscellaneous Expenses W/off	7.05	7.05
Loss on Sale of Fixed Assets	2.37	19.39
<b>Operating Profit before Working capital changes</b>	<b>3,270.66</b>	<b>2,254.73</b>
Adjustment for:		
Inventory	1.19	(28.59)
Trade and other receivable	311.15	(3,340.16)
Trade payables	(540.56)	1,239.01
<b>Cash generated from Operating activity</b>	<b>3,042.44</b>	<b>125.00</b>
Direct Taxes (paid) / refund	(294.61)	(100.53)
<b>Operating Cash flow before prior period item</b>	<b>2,747.83</b>	<b>24.47</b>
Prior period income / (expenses)	-	2.66
<b>Net cash from Operating activity</b>	<b>2,747.83</b>	<b>27.13</b>
<b>B Cash flow from Investing activity</b>		
Sale / (Purchase) of fixed assets	(2,524.09)	(3,538.75)
Interest received	66.93	49.94
Inter Corporate Deposit placed	95.41	(732.76)
<b>Net cash used in Investing activity</b>	<b>(2,361.76)</b>	<b>(4,221.58)</b>
<b>C Cash Flow from Financing activities</b>		
Proceeds of borrowings	1,223.65	4,385.59
Repayment of borrowings	(457.26)	-
Interest paid	(1,008.52)	(665.54)
Dividend Paid	(116.80)	(268.10)
Dividend tax paid	(19.85)	(45.56)
Proceeds from Issue of share capital	-	11.14
<b>Net Cash from Financing activities</b>	<b>(378.78)</b>	<b>3,417.54</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>7.29</b>	<b>(776.91)</b>
Cash and Cash equivalent as at April 1, 2009	703.98	1,480.89
Cash and cash equivalent as at March 31, 2010	711.27	703.98

### AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of Tricom India Limited, derived from the audited financial statements and books and records maintained by the company for the year ended 31st March, 2010 and found the same in agreement therewith.

AS PER OUR REPORT OF EVEN DATE

**FOR J.L. BHATT & CO.**

Chartered Accountants

**YOGESH BHATT**

PARTNER

(M.No.30170)

PLACE: MUMBAI

DATE : 29th May, 2010

FOR AND ON BEHALF OF THE BOARD

**CHETAN KOTHARI**

MANAGING DIRECTOR

## Notes

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## Notes

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### **Forward-Looking Statement**

In this annual report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future information or otherwise.



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