



19th Annual Report 2010-2011

TRICOM INDIA LIMITED

BOARD OF DIRECTORS

Mr. Baldev Boolani	Chairman
Mr. Chetan Kothari	Managing Director
Mr. Jayant Tanksale **	Executive Director-Operations
Mr. Anil Bakshi *	Director
Mr. Hiren Kothari	Director
Mr. Vijay Bhatia	Director
Mr. Gautam Berry	Director
Mr. Hariom Tulsyan	Director
Mr. Rasik Chaturvedi	Director
Mr. Gaurav Bhatia ***	Director

Operating Committee

Mr. Chetan Kothari	Managing Director
Mr. Jayant Tanksale	Executive Director-Operations

Company Secretary

Mr. G.T.Shenoy

Bankers

State Bank of India
ICICI Bank Limited

Auditors

M/s.J.L.Bhatt & Co
Chartered Accountants

Registered Office

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

Registrar & Share Transfer Agent

M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind.Premises,
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072.
Phone : (91-22) 2851 5606 / 2851 5644;

* Ceased to be Director w.e.f 14th May, 2011

** Re-appointed as Executive Director-operations w.e.f 4th December, 2010

*** Appointed as Director w.e.f 30th September, 2010

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NOTICE

The Nineteenth Annual General Meeting of **TRICOM INDIA LIMITED** will be held on **31st Day of December, 2011** at **11.00 a.m.** at School Hall, Damodar Hall Educational Campus, Dr. Ambedkar Marg, Parel Naka, Mumbai-400 012 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31st March 2011, 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, Mr. Vijay Bhatia as Director, who retires by rotation.
4. To appoint, Mr. Hariom Tulsyan as Director, who retires by rotation.
5. To appoint, Mr. Gautam Berry as Director, who retires by rotation.
6. 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 & Company, (FRN-101332W) Chartered Accountants, be and are hereby appointed as the auditors 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

7. **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 laws, 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, Principal Paying/Transfer/Conversion Agents, Underwriters, Guarantors, Depositories, Custodians, Legal

Advisors, 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 any of the Directors for the time being on 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 laws 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 be and is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or questions 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 members 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."

By Order of the Board of Directors

Place : Mumbai
Date : November 30, 2011

Baldev Boolani
Chairman

Regd. Office:
Tricom House, Gandhi Estate
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai-400072

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant details of directors seeking appointment/ re-appointment under item no. 3, 4 and 5 above, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges are also annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from, 29th December, 2011 to 31st December, 2011 (both days inclusive).
4. Members holding shares in electronic form are requested to intimate immediately any change in their address and Email - id 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 and intimate Email - id immediately to the Company/ Registrar & Share Transfer Agent, M/s. Sharex Dynamic (India) Pvt. Ltd. having their office premises at Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai - 400072.

5. 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. Vijay Bhatia	He is 69 years of age. He is a Commerce Graduate and has done his Masters in Political Science. He has an experience of over 46 years in various business related activities such as engineering, roller flour mill and construction activity. He excels in the fields of Business Management and Accounts.	Directorships In : ● Hindustan Tin Works Ltd
4	Mr. Hariom Tulsyan	He is 65 years of age. He is a Law Graduate and MA (Political Science). He has over 40 years of experience during his tenure. He retired as a Chief Commissioner of Income tax, Mumbai.	Nil
5	Mr. Gautam Berry	He is 64 years of age. He is a company turnaround specialist and has over 35 years of experience in Management Consulting.	Nil

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. 7

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 Crore only) in the manner as set out in the Resolution under Item no. 7 of the Notice.

The resolution set out in Item No.7 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 GOI, 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 members of the Company in the manner laid down in the Section, unless the members decide otherwise in the General Meeting. Accordingly, the consent of the members 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 members.

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. 7 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.

By Order of the Board of Directors

Place : Mumbai
Date : November 30, 2011

Baldev Boolani
Chairman

Regd. Office :
Tricom House, Gandhi Estate
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai-400072

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Rs.in Lacs)

Particulars	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Revenue	13,143.90	9,066.69	8,558.59	5,139.91	3,606.54
Operating Profit (PBIDT)	3,987.61	3,067.63	2,730.79	1,946.25	1,554.35
Profit after Tax	1,936.36	1,469.83	1,414.32	1,582.87	1,485.43
Cash Profit after Tax	2,797.57	2,104.21	2,133.95	1,791.23	1,663.42
Share Capital	1,193.01	1,168.01	1,168.01	1,165.63	1,161.83
Reserves & Surplus	10,115.48	8,068.90	6,414.17	5,440.50	4,227.69
Net Worth	11,308.49	9,236.91	7,582.18	6,606.13	5,389.52
Loan Funds	8,702.85	8,006.31	7,239.92	2,854.33	783.53
Gross Fixed Assets	13,501.49	9,342.64	6,993.32	3,149.75	1,519.54
Net Fixed Assets	10,780.58	7,462.17	5,420.59	2,432.44	1,005.54
Current Ratio	4.39	5.93	5.38	8.87	10.49
Net Profit Margin Ratio(%)	14.73	16.21	16.53	30.80	41.19
Basic EPS	3.31	2.52	2.43	13.59	18.19
Diluted EPS	3.00	2.52	2.43	13.59	18.10
Cash Earning Per Share	4.69	3.60	3.65	15.37	20.37
Return on Average Net Worth (%)	18.85	17.48	19.94	26.39	40.63

Note: The figures have been regrouped wherever necessary.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Consolidated		Standalone	
	2011	2010	2011	2010
Total Income from Operations	11314.36	9020.69	6797.82	5472.07
Profit before Interest, Depreciation and Taxes	3987.61	3067.63	3069.61	2772.06
Interest	1109.59	941.59	896.36	789.37
Depreciation	813.51	480.14	543.59	368.28
Profit before Taxation	2064.50	1645.90	1629.66	1614.41
Provisions for Taxes	80.44	21.83	85.61	25.50
Exceptional Items	47.70	154.25	47.70	154.25
Profit after Taxes	1936.36	1469.82	1496.35	1434.66
Balance brought forward	5419.36	4213.51	5334.64	4163.96
Prior Period income	10.46	-	-	-
Appropriations	153.21	263.98	153.21	263.98
Reserves carried to Balance Sheet	7212.96	5419.35	6677.77	5334.64
Earnings per share (Rs.)	3.31	2.52	2.56	2.46

OPERATIONAL PERFORMANCE

During the year the consolidated income from operations was Rs.11314.36 Lacs as compared to income from operations of Rs.9020.69 Lacs during the previous financial year. The consolidated profit after tax was Rs.1936.36 Lacs as compared to profit after tax of Rs.1469.82 Lacs during the previous financial year.

The standalone total income from operations was Rs.6797.82 Lacs as compared to total income from operations of Rs.5472.07 Lacs during the previous financial year. The standalone profit after tax was Rs.1496.35 Lacs as compared to profit after tax of Rs.1434.66 Lacs during the previous financial year.

The financial year was a year of consolidation of the acquisitions made during the earlier years 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.

DIVIDEND

The Directors have recommended a dividend of Re.0.20/- per Equity Share of face value of Rs.2/- each on paid up Equity Share Capital of the Company for the financial year 2010 - 2011. The dividend on Equity Shares, if approved by the shareholders at the 19th Annual General Meeting, would amount to Rs.1,53,21,329/- (including dividend tax of Rs.21,82,239/-) and will be paid to those members whose names appear on the Register of Members of the Company as on 31st December, 2011.

ALLOTMENT OF 12,50,000 EQUITY SHARES OF Rs. 2/- EACH AND ITS LISTING

During the year under review your company had issued 12,50,000 (Twelve Lac Fifty Thousand) Equity Shares of Rs.2/- (Two) each on preferential basis as consideration for acquisition of the entire shareholding of Mastiff Tech Private Limited and Mastiff Internet Media Solutions Private Limited (Now called as Tricom I.T Services Private Limited)

The above shares were listed on Bombay Stock Exchange Limited ('BSE') on 15th March, 2011 and National Stock Exchange of India Limited ('NSE') on 11th March, 2011 and the same were permitted for trading over BSE from 21st March, 2011 and on NSE from 22nd March, 2011.

ALLOTMENT OF FULLY CONVERTIBLE DEBENTURES (FCD) OF Rs.20/- EACH

Your company had issued and allotted 60,45,000 15% Fully Convertible Debentures of Rs.20/- each. FCD's were, subsequently converted into 60,45,000 Equity shares of Rs.2/- each at premium of Rs.18/- per share on 16th April, 2011.

The above shares on conversion were listed on Bombay Stock Exchange Limited ('BSE') on 19th May, 2011 and National Stock Exchange of India Limited ('NSE') on 25th May, 2011 and the same were permitted for trading over BSE from 31st May, 2011 and on NSE from 1st June, 2011.

SCHEME OF AMALGAMATION

The Board of Directors at its meeting held on 29th January, 2011 approved the Scheme of Amalgamation. The Petition for approving the Scheme of Amalgamation of your company with its two wholly owned subsidiary companies i.e "Tricom Infotech Solutions Limited" and "Mastiff Tech Private Limited" was been moved with Hon'ble Bombay High Court.

EMPLOYEES' STOCK OPTION SCHEME

The Company has not granted any options to any of the employees of the Company under "TIL Employee Stock Option Scheme-2010" (TIL-ESOP). The details as required under clause 12.1 of the Securities & Exchange Board of India (Employee Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are attached as **Annexure - A** to the Director's Report.

FIXED DEPOSITS

Total amount of deposits outstanding as on 31st March, 2011 was Rs.505.11 Lacs. There were no unclaimed deposits as on 31st March, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. 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;
- c. 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 31st March, 2011, the Company had the following subsidiaries:

Domestic Subsidiaries

1. Tricom I.T Services Private Limited
2. Tricom Infotech Solutions Limited
3. Mastiff Tech Private Limited
4. Tricom LPO Private Limited

Foreign subsidiaries

1. Tricom Document Management, Inc., USA,
2. Pacific Data Centers, Inc., USA,
3. Tricom Data Services, Inc., USA,
4. Tricom Litigation Coding Services, Inc. USA,
5. Tricom Software Services, Inc., USA,
6. Tricom Infotech Solutions (Cyprus) Limited,
7. Tricom Infotech Solutions, Inc., USA,
8. GTESS-Tricom Corporation

PARTICULARS IN TERMS OF SECTION 212 OF THE COMPANIES ACT

In terms of General Exemption been granted to companies vide General Circular No.02 and 03 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs for not attaching the Balance sheets of the Subsidiary Companies and approval received from Board of Directors vide resolution passed at Board Meeting held on 14th May, 2011 under Section 212(8) 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, 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 31st March, 2011, 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 office of the Company.

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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hariom Tulsyan, Mr. Vijay Bhatia and Mr. Gautam Berry, Directors of the Company will retire by rotation at the forthcoming 19th Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, Mr. Gaurav Bhatia, were appointed as Director of the Company with immediate effect at Annual General Meeting of the Company held on 30th September, 2010.

Further, Mr. Jayant Tanksale, were re-appointed as Executive Director-Operations of the Company w.e.f 4th December, 2010 at Extra Ordinary General Meeting of the Company held on 21st June, 2011.

Further, Mr. Anil Bakshi, Director has resigned w.e.f. 14th May, 2011. The Board places on record its appreciation for the valuable services rendered by Mr. Anil Bakshi during his tenure.

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.6 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.6797.82 Lacs. The foreign exchange outflow during the year was Rs.1917.81 Lacs.

HUMAN RESOURCES

Your Company regards human capital as the most valuable asset. At the end of March, 2011, your Company and its subsidiaries had approx.3000 employees.

However, none of the employees throughout the financial year were in receipt of remuneration in excess of the limits as prescribed under Section 217(2A) of the Companies Act, 1956 ('Act'), read with the amended Companies (Particulars of Employees) Rules, 1975.

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 of Directors

Place : Mumbai
Date : November 30, 2011

Baldev Boolani
Chairman

Disclosures required under Securities & Exchange Board of India (Employee Stock Options Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 Annexed to Directors' Report:

Sr. No.	Particulars	
1	Options granted during the year	NIL
2	The pricing formula	Not Applicable
3	Options vested during the year	NIL
4	Options exercised during the year	NIL
5	Total number of shares arising as a result of exercise of options	NIL
6	Options lapsed	NIL
7	Variations of the terms of options	NIL
8	Money realized by exercise of options	NIL
9	Total number of options in force	NIL
10	-Options granted to senior managerial personnel -Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year -Identified employees who were granted option during any one year equal to or exceeding 1% of the issued capital of the company at the time of grant	NIL
11	Diluted earning per share(EPS) pursuant to issue of shares on exercise of option	Not Applicable
12	Employees Compensation cost calculated, if company is using Intrinsic value of the stock options and 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	Not Applicable
13	Weighted average exercise price and weighted average fair values of options	Not Applicable
14	Description of the method and significant assumptions used during the year to estimate the fair values of options the time of option grant	Not Applicable

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Macro Economic Overview

With the world economy preparing itself to revive from the economic slowdown, Fiscal year 2011 for India has had a slightly bumpy start with GDP growth showing signs of moderation. Although the GDP growth has been revised down to 8.5%, sectors like Agriculture and Services witnessed growth of 6.6% and 9.4% in 2010-11 respectively. Furthermore, India expects to spend around USD 1 trillion on the development of infrastructure in next Five Year Plan beginning 2012. Trade Exports during April-May 2011 were valued at USD 49.8 billion, registering a growth of 45.3% over the same period last year. Imports were valued at USD 73.7 billion, growing at the rate of 33.3%. Target for exports is to double from USD 246 billion in 2010-11 to USD 500 billion in 2013-14.

(Source: Deloitte, India Economic Outlook, 2011)

Industry Structure, Overview & Developments

The Indian IT-BPO industry had grown by 6.1 percent in 2010, and has clocked growth of approximate 19 percent in 2011 as companies coming out of recession harness the need for information technology to create competitive advantage. As one of the key growth engines of the economy, the Indian IT/ITeS industry has been contributing notably to the economic growth accounting for around 5.6% of the country's GDP and providing direct employment to about 2.3 million people and indirect employment to many more. Emerging trends in service delivery like Cloud Computing and Platform BPO are likely to remodel the industry by creating new business opportunities for the IT/ITeS vendors and driving changes in the traditional service offerings. Today, margin pressures are pushing companies to proactively look for ways to contain costs while enhancing output. For long, Tier-2 cities have played around the fringes of mainstream IT/ITeS delivery. Today, we are seeing more and more companies moving into Tier-2 cities to set up delivery centres.

(Source: PricewaterhouseCoopers, 2011)

Market Segmentation of Indian IT and ITeS

(Rs in crores)

Market Segment	2010	2011	Growth 2010 Over 2009	Growth 2011 over 2010
IT market	1,07,655	1,67,309	13%	36%
ITeS market	13,011	29,896	35%	56%
IT-ITeS market	1,20,666	1,97,205	15%	39%

(Source: IDC 2011)

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 to 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 19 % in 2010-11. 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).

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, 6,75,000 technical graduates qualify in the country, of which 400,000 are engineers.
- An estimated additional demand for 0.8 million IT and 1.4 million ITeS professionals in 2010-2011. According to the NASSCOM Strategic Review 2011, the IT and BPO sector will employ 2.5 million employees in 2011. In comparison to 2010, the total employee strength will increase by 2,40,000 employees.

- 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.

- **Currency Fluctuation**

The Company's revenue accrues in foreign currency. Any adverse movement of the USD and Euro vs. INR could impact the Company's top line. The Company has established presence even in remote 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 and 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 India Limited 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 China, Philippines, Brazil, and Mexico are increasing their presence in this space, leveraging their comfort with 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 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 2011, the employee count of Tricom India Limited and its subsidiaries, was 3000 approx.

- **Internal Control Systems**

The Company has appointed an Internal Audit Committee 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.

REPORT ON 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 structured 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 31st March, 2011, the Board comprises of 10 (Ten) Director's 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	4
2	Mr. Hiren Kothari	Promoter, Non-Executive	3	-	1
3	Mr. Baldev Boolani	Independent, Non-Executive	3	-	-
4	Mr. Jayant Tanksale**	Non-Promoter, Executive	2	1	2
5	Mr. Gautam Berry	Independent, Non-Executive	-	-	-
6	Mr. Vijay Bhatia	Non-Independent, Non-Executive	1	-	-
7	Mr. Hariom Tulsyan	Independent, Non-Executive	-	-	-
8	Mr. Anil Bakshi***	Non-Promoter, Non Executive	1	-	1
9	Mr. Rasik Chaturvedi	Independent, Non-Executive	-	-	-
10	Mr. Gaurav Bhatia****	Non-Independent, Non-Executive	-	-	-

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.

** Re-appointed as Executive Director-operations w.e.f 4th December, 2010.

*** Ceased to be a Director w.e.f 14th May, 2011.

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

b. Details of Meetings Held:

During the financial year 2010-2011, 7 (Seven) Board Meetings were held viz; 29th May, 2010, 13th August, 2010, 30th September, 2010, 13th November, 2010, 29th January, 2011, 12th February, 2011 and 22nd February, 2011. The Eighteenth Annual General Meeting (AGM) was held on 30th September, 2010. The attendance of the Directors as required by listing agreement at these meetings are given below.

Name of Director	Designation	Attendance in Board Meetings during 2010-2011	Presence in last Annual General Meeting
Mr. Chetan Kothari	Managing Director	7	Yes
Mr. Baldev Boolani	Chairman	6	Yes
Mr. Jayant Tanksale***	Executive Director-operations	7	Yes
Mr. Hiren Kothari	Director	7	Yes
Mr. Anil Bakshi*	Director	3	Yes
Mr. Gautam Berry	Director	2	Yes
Mr. Vijay Bhatia	Director	7	Yes
Mr. Hariom Tulsyan	Director	7	Yes
Mr. Rasik Chaturvedi	Director	6	Yes
Mr. Gaurav Bhatia**	Director	5	Yes

* Ceased to be a Director w.e.f. 14th May, 2011.

** Appointed as Director w.e.f. 30th September, 2010.

*** Re-appointed as Executive Director-operations w.e.f. 4th December, 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:**

As on 31st March, 2011 Audit Committee comprises of 3 (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.

Details of Audit Committee :

Name of the Director	Position	Category
Mr. Baldev Boolani	Chairman	Independent, Non-Executive
Mr. Chetan Kothari	Member	Promoter, Executive
Mr. Rasik Chaturvedi	Member	Independent, Non-Executive

b. Details of Meetings held:

During the year, 4 (Four) Audit Committee Meetings were held viz; 29th May, 2010, 13th August, 2010, 13th November, 2010 and 12th February, 2011.

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 31st March, 2011.

3. REMUNERATION COMMITTEE

a. Composition:

As on 31st March, 2011 Remuneration Committee comprises of 3 (Three) 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. Vijay Bhatia	Member	Non Independent, Non-Executive

No Committee Meetings were held during the year.

b. 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.

c. 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.

d. Remuneration to Non-Executive Directors for the year ended 31st March, 2011 :

Non-Executive Directors were paid a sitting fees of Rs. 5,000/- for every Board Meeting and Rs.5,000/- for every Audit Committee Meeting 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 25th September, 2006.

e. Remuneration to the Executive Directors for the year ended 31st March, 2011 :

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-Operations	13,50,000	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.

f. Shares held by Non-Executive Directors as on 31st March, 2011 :

The details of shares held by Non-Executive Directors as on 31st March, 2011 are given below:

Name of the Director	No. of Equity Shares
Mr. Baldev Boolani	50,000
Mr. Gautam Berry	Nil
Mr. Vijay Bhatia	8,20,000
Mr. Hiren Kothari	22,15,660
Mr. Anil Bakshi	54,500
Mr. Hariom Tulsyan	10,000
Mr. Rasik Chaturvedi	Nil
Mr. Gaurav Bhatia	90,977

4. SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' & Investors' Grievance Committee of the Company as on 31st March, 2011 comprises of 3 (Three) members chaired by Mr. Baldev Boolani, Independent, Non-Executive Director. * Ms.Riddhi Sanghavi, Asst. Company Secretary is the Compliance Officer of the company. 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 and Ministry of Corporate Affairs.

* w.e.f. 15th November, 2011, Mr. G.T Shenoy, Company Secretary is the Compliance officer of the company.

a. Composition:

As on 31st March, 2011 the committee comprises of the following members:

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

b. Status of Investor Complaints :

The Company had received 6 (Six) complaints during the year from the shareholders and all complaints were resolved to the satisfaction of the shareholders.

5. SHAREHOLDER INFORMATION**a. Next Annual General Meeting**

19th Annual General Meeting of the company will be held on 31st December, 2011 , at 11.00 a.m. at School Hall, Damodar Hall Educational Campus, Dr. Ambedkar Marg, Parel Naka, Mumbai - 400 012.

b. Financial Calendar of the Board Meetings to adopt the Accounts for the Financial Year 2011-2012 (Tentative and subject to changes) :

For the year ending 31st March 2012, Quarterly Un-Audited/Annual Audited results shall be announced by:

For the quarter ending 30 th June, 2011	:	12 th August, 2011.
For the quarter ending 30 th September, 2011	:	14 th November, 2011.
For the quarter ending 31 st December, 2011	:	14 th February, 2012.
For the quarter ending 31 st March, 2012	:	30 th May, 2012 (Audited).

c. Book Closure:

The dates of Book Closure are from 29th December, 2011 to 31st December, 2011 (both days inclusive).

d. Dividend Payment:

Dividend of 10% on the Equity Share Capital amounting to Re.0.20 on each Equity Share held of Rs.2/-each of the Company will be paid, to the shareholders whose names appear in the Register of Members as on 31st December, 2011 subject to approval by the shareholders at the 19th 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 205A 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 Company's 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 of India 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 complied with and the approval for the same is awaited.

f. Stock Code:

STOCK EXCHANGE	STOCK CODE
Bombay Stock Exchange Limited	531675
National Stock Exchange of India Limited	TRICOM
Luxembourg Stock Exchange	Cusip No.896120102
Ahmedabad Stock Exchange Limited	61444

ISIN number: INE771B01032.

g. General Body Meetings

i. Annual General Meetings

Details of the last Three (3) Annual General Meetings of the Company are as below:

Financial Year	AGM No.	Location	Date	Time	No. of Special Resolution Passed.
2009-10	18th	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012.	30 th Sept, 2010	11.00 a.m.	06
2008-09	17th	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012.	30 th Sept, 2009	11.00 a.m.	02
2007-08	16th	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012.	30 th Sept, 2008	11.00 a.m.	01

All the Special Resolutions placed before the shareholders at the Meetings were approved.

ii. No Extra Ordinary General Meetings were held during year.

h. Shares in Physical / Demat form as on 31st March, 2011:

Particulars	No. of Shares Held	% of Shares Held
Physical Form	480150	0.81
Demat Form	59170300	99.19
Total	59650450	100.00

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 of India Limited (NSE) compared to BSE SENSEX during the financial year 2010 - 2011 were:

Month	BSE		NSE		BSE SENSEX		LSE
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High	Low	GDR(USD)
Apr'10	20.25	15.00	20.15	15.05	18047.86	17276.80	0.864
May'10	22.95	18.00	22.70	17.90	17536.86	15960.15	0.886
Jun'10	21.95	19.45	22.10	19.00	17919.62	16318.39	0.881
Jul'10	20.70	18.75	20.80	19.00	18237.56	17395.58	0.847
Aug'10	22.10	18.25	22.00	17.75	18475.27	17819.99	0.784
Sep'10	20.50	17.75	20.40	17.75	20267.98	18027.12	0.803
Oct'10	18.40	16.75	18.75	16.50	20854.55	19768.96	0.765
Nov'10	18.90	15.25	18.90	15.40	21108.64	18954.82	0.723
Dec'10	17.45	15.00	17.40	13.00	20552.03	19074.57	0.709
Jan'11	18.50	15.20	18.40	14.90	20664.80	18038.48	0.773
Feb'11	16.95	14.15	17.75	14.30	18690.97	17295.62	0.663
Mar'11	16.80	14.05	17.75	13.95	19575.16	17792.17	0.694

j. Distribution of Shareholding as on 31st March, 2011:

No. of Shares			No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up	to	100	1477	21.70	89589	0.15
101	to	200	714	10.49	127480	0.21
201	to	500	1680	24.68	692997	1.16
501	to	1000	1119	16.44	1018023	1.71
1001	to	5000	1172	17.22	3030758	5.08
5001	to	10000	215	3.16	1689369	2.83
10001	to	100000	350	5.14	12339762	20.69
100001	to	above	80	1.18	40662472	68.17
TOTAL			6807	100.00	59650450	100.00

k. Share Transfer Procedure:

Your Company has constituted a Shareholders' & Investors' Grievance 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.

I. Registrar and Share 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) 2851 2885.
Website : www.sharexindia.com and
E-mail Id: sharexindia@vsnl.com & sd_india@rediffmail.com

m. 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). The quarterly financial results are published in Free Press Journal (Mumbai Edition) and Navshakti/ Maharashtra Times (Mumbai Edition-Marathi).

n. 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:

In accordance with clause 49(III) of the Listing Agreement, Tricom Infotech Solutions Limited is a material Non-Listed Indian Subsidiary of the company incorporated in India.

Mr.Rasik Chaturvedi , Independent Director of the Company is a Director on the Board of Tricom Infotech Solutions Limited.

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. CEO/CFO Certification

Pursuant to the provisions of Sub-Clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director has issued a certificate to the Board, for the year ended March 31, 2011.

f. 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. 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 2010-2011".

Chetan Kothari
Managing Director

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

The Company has 5,95,000 Global Depository Receipts (GDRs) outstanding as on 31st March, 2011. Each GDR represents one underlying share in the Company. GDR is not a specific time bound instrument and can be surrendered at any time and converted into the underlying equity shares in the Company.

p. 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.

q. 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, 2852 3437, 2856 1756

Fax : 6690 7810; Website: www.tricominfo.com

Designated E-mail address for investor services: investor@tricommail.com



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
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 **31st March, 2011**, as stipulated in Clause-49 of the Listing Agreement executed by the Company with the Stock Exchanges.

The Compliance of condition 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.

Place : Mumbai
Date : November 30, 2011

For **J.L. Bhatt & Co.**
Chartered Accountants
FRN No.101332W

YOGESH J. BHATT
PARTNER
Membership No. 30170

AUDITORS' REPORT

To,
The Members,
Tricom India Limited

1. We have audited the attached Balance Sheet of **Tricom India Limited**, as at **31st March, 2011** 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 accounts 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, 2011 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, 2011 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 31st March, 2011;
 - 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 J. BHATT
PARTNER
Membership No.30170

Place : Mumbai
Date : November 30, 2011

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, 2011:

- 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, 2011 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.1310.32 Lacs (including Rs.515.15 lacs granted during the year) to its five wholly owned subsidiary companies repayable on demand. At the year end the loans granted to its wholly owned subsidiary companies aggregates to Rs.1119.73 Lacs. The maximum amount outstanding during the year was Rs.1287.75 Lacs.
 - ii) The Company has granted unsecured loans to one other party also, aggregating to Rs.13.57 Lacs repayable on demand. At the year end the loans granted to the said party aggregates to Rs.13.57 Lacs. The maximum amount outstanding during the year was Rs.13.57 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) The company has taken unsecured loans from 5 (five) parties listed in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs.340.00 Lacs received during the year from 5 (five) parties of which Rs.Nil is outstanding at the year end. The maximum amount of loans taken from the said parties are Rs.340.00 Lacs.
 - (b) 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.
 - (c) 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. However during the year the company has purchased software which is shown as stock-in-trade. 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 Lacs 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 58A 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, 2011 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.185.95 Lacs. The company has filed appeal against the disputed income tax.
- 10) The company has neither accumulated losses as at March 31, 2011 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 examination 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) 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.
- 19) As informed to us, the company has not raised any money by public issue during the period covered by our audit report. However, during the year the company has made preferential allotment of 12,50,000 Equity Shares of Rs.20/- each fully paid up amounting to Rs.2,50,00,000/- including premium of Rs.2,25,00,000/-.
- 20) 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 Accountant
FRN -101332W

YOGESH J. BHATT
PARTNER
Membership No.30170

Place : Mumbai
Date : November 30, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS			
Share Capital	A	119,300,900	116,800,900
Reserves & Surplus	B	958,028,913	798,418,338
LOAN FUNDS			
Secured Loans	C	415,661,404	545,339,540
Unsecured Loans	D	344,390,366	158,931,456
Deferred Tax Liability		13,870,942	5,310,005
TOTAL		1,851,252,525	1,624,800,239
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	E	393,643,094	360,345,853
Less : Accumulated Depreciation		174,005,857	119,646,597
Net Block		219,637,236	240,699,256
Add: Capital Work-in-progress		13,000,000	39,562,965
Total Fixed Asset		232,637,236	280,262,221
INVESTMENTS			
	F	792,761,937	651,179,351
CURRENT ASSETS , LOANS AND ADVANCES			
Inventories (Certified By Management)		182,431,425	5,265,000
Sundry Debtors	G	296,186,045	368,430,508
Cash & Bank Balances	H	45,184,889	47,870,691
Loans & Advances	I	464,588,682	385,430,215
		988,391,042	806,996,414
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	49,121,894	29,662,077
Provisions	K	117,020,649	88,285,704
		166,142,543	117,947,781
NET CURRENT ASSETS		822,248,499	689,048,634
MISCELLANEOUS EXPENDITURE			
(To The Extent Not Written Off Or Adjusted)		3,604,853	4,310,033
TOTAL		1,851,252,525	1,624,800,239
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO THE ACCOUNTS			
AS PER OUR REPORT OF EVEN DATE		FOR AND ON BEHALF OF THE BOARD	
For J.L. BHATT & CO. Chartered Accountants FRN-101332W		CHETAN KOTHARI MANAGING DIRECTOR	
YOGESH J. BHATT Partner Membership No.30170		HIREN KOTHARI DIRECTOR	
Place : Mumbai Date : November 30, 2011		JAYANT TANKSALE EXECUTIVE DIRECTOR- OPERATIONS	
		G.T. SHENOY COMPANY SECRETARY	

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (Amount in Rs.)

PARTICULARS	SCHEDULE	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME :			
Income From Operations		679,781,588	547,207,497
Increase / (Decrease) Stock-in-trade & work-in-progress		177,166,425	(118,700)
Other Income		209,581	610,370
TOTAL		857,157,594	547,699,167
EXPENDITURE :			
Exchange Rate Difference		5,970,563	59,674,387
Software Purchase		181,408,925	-
Staff Cost	M	186,123,155	144,849,766
Administrative & Other Expenses	N	164,658,487	65,968,858
Pre-operative Expenses Written-off		12,035,543	-
TOTAL		550,196,673	270,493,012
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX		306,960,921	277,206,156
Less : Interest & Finance Cost (Net)	L	89,635,973	78,937,413
PROFIT BEFORE DEPRECIATION AND TAX		217,324,948	198,268,743
Less : Depreciation	E	54,359,260	36,827,621
PROFIT BEFORE TAX		162,965,687	161,441,122
Less : Provision For Taxation		31,529,200	24,935,991
Less : MAT Credit Entitlement		(31,529,200)	(24,935,991)
Less : Deferred Tax		8,560,937	2,550,351
PROFIT AFTER TAX BUT BEFORE EXCEPTIONAL ITEMS		154,404,750	158,890,771
Exceptional Items			
Amortisation Of Foreign Currency Monetary Item Translation Difference		4,770,010	15,424,737
NET PROFIT AFTER TAX FOR THE YEAR		149,634,741	143,466,034
Add: Balance Brought Forward From Last Year		533,464,080	416,396,192
PROFIT AVAILABLE FOR APPROPRIATION		683,098,821	559,862,226
Appropriation			
Proposed Dividend		13,139,090	14,016,108
Dividend Tax		2,182,239	2,382,038
General Reserve		-	10,000,000
CARRIED TO BALANCE SHEET		667,777,492	533,464,080
EARNING PER SHARE			
Basic		2.56	2.46
Diluted		2.32	2.46
SIGNIFICANT ACCOUNTING POLICIES	O		
NOTES TO THE ACCOUNTS	P		
AS PER OUR REPORT OF EVEN DATE		FOR AND ON BEHALF OF THE BOARD	
For J.L. BHATT & CO. Chartered Accountants FRN -101332W		CHETAN KOTHARI MANAGING DIRECTOR	
YOGESH J. BHATT Partner Membership No.30170		HIREN KOTHARI DIRECTOR	
Place : Mumbai Date : November 30, 2011		JAYANT TANKSALE EXECUTIVE DIRECTOR- OPERATIONS	
		G.T. SHENOY COMPANY SECRETARY	

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As At March 31, 2011	As At Marrch 31,2010
SCHEDULE A :		
SHARE CAPITAL		
Authorised Capital		
8,75,00,000 Equity Shares of Rs.2/- each (Previous year 8,75,00,000 Equity Shares of Rs.2/- each)	175,000,000	175,000,000
2,50,000 Preference Shares of Rs.100/- each (Previous year 2,50,000 Preference Shares of Rs.100/- each)	25,000,000	25,000,000
TOTAL	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid up Capital		
5,96,50,450 Equity Shares of Rs.2/- each (Previous year 5,84,00,450 Equity Shares of Rs. 2/- each)	119,300,900	116,800,900
TOTAL	<u>119,300,900</u>	<u>116,800,900</u>
SCHEDULE B :		
RESERVE & SURPLUS		
Share Premium		
Opening Balance	220,268,130	216,277,650
Add: On Issue of Equity Capital	22,500,000	-
Add: Transferred during the year from Employee Stock Option	-	3,990,480
	242,768,130	220,268,130
Capital Reserve		
Opening Balance	31,995	31,995
	31,995	31,995
General Reserve		
Opening Balance	47,451,296	37,451,296
Add : Transferred During the year	-	10,000,000
	47,451,296	47,451,296
Employee Stock Option Outstanding		
Opening Balance	-	3,990,480
Less: Transferred to Share Premium A/c	-	3,990,480
	-	-
Foreign Currency Monetary Item Translation Difference		
	-	(2,797,164)
Balance as per Profit & Loss Account	667,777,492	533,464,080
TOTAL	<u>958,028,913</u>	<u>798,418,338</u>
SCHEDULE C :		
SECURED LOANS		
(Refer Note no. 5 of Schedule P)		
A. Loans from Banks		
Term Loans & Buyer's Credit	352,245,558	478,682,393
Working Capital Loans	55,763,733	61,067,027
B. Vehicle Loans		
	7,652,112	5,590,120
TOTAL	<u>415,661,404</u>	<u>545,339,540</u>
SCHEDULE D :		
UNSECURED LOANS		
60,45,000 15% Fully Convertible Debentures of Rs.20/- each	120,900,000	-
Fixed Deposits	50,511,000	9,500,000
Inter Corporate Deposits	172,979,366	149,431,456
TOTAL	<u>344,390,366</u>	<u>158,931,456</u>

SCHEDULE E : FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1-Apr-10	Additions during the year	Deductions	As at 31-Mar-11	As at 1-Apr-10	Additions during the year	Deductions	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
<u>TANGIBLE ASSETS</u>										
AIR CONDITIONERS	3,823,900	2,477,555	-	6,301,455	607,756	244,509	-	852,265	5,449,190	3,216,144
COMPUTERS	112,218,224	3,768,600	-	115,986,824	71,896,382	12,144,273	-	84,040,656	31,946,168	40,321,842
ELECTRICAL INSTALLATIONS	10,933,075	3,079,122	-	14,012,197	2,079,827	602,431	-	2,682,258	11,329,939	8,853,248
FAX MACHINE	11,055	-	-	11,055	2,978	525	-	3,503	7,552	8,077
FURNITURE & FIXTURES	41,218,520	12,204,108	-	53,422,628	9,209,473	3,004,878	-	12,214,351	41,208,277	32,009,047
OFFICE EQUIPMENTS	2,626,645	969,074	-	3,595,719	599,322	143,876	-	743,198	2,852,521	2,027,323
MOTOR CARS	9,452,957	3,997,241	-	13,450,198	2,187,629	1,025,946	-	3,213,575	10,236,622	7,265,328
TELEPHONE INSTALLATIONS	303,808	110,100	-	413,908	70,407	17,299	-	87,706	326,202	233,401
<u>INTANGIBLE ASSETS</u>										
SOFTWARE PURCHASED	124,604,770	11,025	* 588,000	124,027,795	12,955,613	20,294,607	-	33,250,220	90,777,574	111,649,157
SOFTWARE DEVELOPMENT (Refer Note 11 of Schedule P)	55,152,899	7,268,416	-	62,421,315	20,037,209	16,880,915	-	36,918,124	25,503,190	35,115,690
TOTAL	360,345,853	33,885,241	588,000	393,643,094	119,646,597	54,359,260	-	174,005,857	219,637,236	240,699,256
Previous Year	260,908,147	107,810,574	8,372,868	360,345,853	90,838,532	36,827,621	8,019,556	119,646,597	240,699,256	170,069,614

* Deduction represents adjustment on account of forex fluctuations.

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As At March 31, 2011	As At March 31, 2010
SCHEDULE F :		
INVESTMENTS (AT COST) - LONG TERM		
TRADE		
UNQUOTED		
SUBSIDIARY COMPANY		
1,31,14,239 (Previous year 1,05,12,439) shares of common stock of Tricom Document Management Inc., USA, no par value	570,220,538	453,737,952
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
10,000 (Previous year NIL) Equity Shares of Tricom I.T Services Private Limited (formerly known as Mastiff Internet Media Solutions Private Limited) of Rs.10/-each fully paid up	12,214,000	-
1,60,000 (Previous year NIL) Equity Shares of Mastiff Tech Private Limited of Rs.10/-each fully paid up	12,786,000	-
10,000 (Previous year NIL) Equity Shares of Tricom LPO Private Limited of Rs.10/- each fully paid up	100,000	-
NON TRADE		
OTHERS		
4,900 (Previous year 4,900) Equity Shares of Malad Sahakari Bank Ltd. Of Rs.10/- each fully paid up	49,000	49,000
TOTAL	<u>792,761,937</u>	<u>651,179,351</u>
SCHEDULE G :		
SUNDRY DEBTORS (UNSECURED)		
Outstanding for a period		
- Exceeding Six Months and considered Good	25,460,774	92,437,720
- Others (Considered Good)	270,725,271	275,992,788
TOTAL	<u>296,186,045</u>	<u>368,430,508</u>
SCHEDULE H :		
CASH & BANK BALANCES		
Cash on hand	381,705	265,803
Balances with Scheduled Banks		
- in Current Accounts	2,393,118	967,381
- in EEFC Account	43,245	404,662
- in Fixed Deposit Account *	37,282,173	41,148,198
- in RD Accounts*	5,084,648	5,084,648
* Pledged with a Bank Rs.4,22,48,096/- (Previous year Rs.4,62,32,846/-)		
TOTAL	<u>45,184,889</u>	<u>47,870,691</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As At March 31, 2011	As At March 31, 2010
SCHEDULE I :		
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Loans to Companies & Other Parties	38,135,826	105,291,519
Loans to Subsidiary Companies	111,973,104	79,516,367
Advance Recoverable in Cash or Kind or for value to be received	85,678,771	61,190,631
Security Deposits	39,841,047	17,031,546
Prepaid Expenses	23,027,137	19,437,648
Income Tax	165,932,797	102,962,504
TOTAL	464,588,682	385,430,215
SCHEDULE J :		
CURRENT LIABILITIES		
Sundry Creditors	13,568,440	4,050,644
Other Liabilities	35,553,454	25,611,433
TOTAL	49,121,894	29,662,077
SCHEDULE K :		
PROVISIONS		
Provision for Income Tax	93,657,564	62,128,364
Provision for Fringe Benefit Tax	3,686,573	3,686,573
Proposed Dividend	13,139,090	14,016,108
Provision for Tax on Dividend	2,182,239	2,382,038
Provision for Retirement Benefits	4,355,183	6,072,621
TOTAL	117,020,649	88,285,704

SCHEDULES TO PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	As At March 31, 2011	As At March 31, 2010
SCHEDULE L :		
INTEREST & FINANCE COST (NET)		
Finance Charges	22,144,215	9,962,670
Interest paid		
Interest on Fixed Loans		
- Banks	33,196,492	30,128,575
- Others	86,366,808	37,991,913
Interest on Cash Credit	17,757,903	12,967,743
	<u>159,465,418</u>	<u>91,050,901</u>
Less: Interest earned	69,829,445	12,113,489
TOTAL	<u><u>89,635,973</u></u>	<u><u>78,937,413</u></u>
SCHEDULE M :		
STAFF COST		
Salaries, Wages and bonus	175,552,277	131,545,160
Contribution to Provident and Other Funds	6,038,220	7,378,172
Directors' remuneration	4,350,000	6,000,000
Staff Welfare	3,033,238	2,529,727
	<u>188,973,735</u>	<u>147,453,059</u>
Less: Software Development Cost (See Note no.11 of Schedule P)	2,850,580	2,603,293
TOTAL	<u><u>186,123,155</u></u>	<u><u>144,849,766</u></u>
SCHEDULE N :		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement and Sales Promotion	2,923,500	1,452,783
Auditors Remuneration	938,000	529,612
Bank Charges	2,672,953	2,149,356
Communication charges	6,527,569	6,904,311
Directors' Sitting Fees	255,000	235,000
Donations	39,004	906,015
Electricity Charges	12,696,258	12,328,354
Foreign Travel	3,469,722	2,347,680
Insurance Charges	445,864	623,280
Legal & Professional Fees	14,752,767	4,526,753
Miscellaneous Expenditure Written off	705,180	705,180
Miscellaneous Expenses	1,709,852	1,310,849
Motor Car Expenses	498,151	522,627
Printing & Stationery	1,673,513	1,048,210
Processing Cost	80,145,600	-
Loss on sale of Fixed Asset	-	237,241
Rent Rates & taxes	27,945,664	23,848,289
Repair & Maintenance Charges	4,112,551	3,781,998
Security Charges	1,377,108	1,402,528
Service Charges	762,221	2,182,074
Travelling and Conveyance Charges	4,809,713	3,341,782
Water Charges	616,132	621,503
	<u>169,076,322</u>	<u>71,005,424</u>
Less: Capitalisation of Software (See Note no.11 of Schedule P)	4,417,836	5,036,566
TOTAL	<u><u>164,658,487</u></u>	<u><u>65,968,858</u></u>

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

- (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 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 (EOU) and registered member of Software Technology Park of India (STPI). 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**

(Rs. in Lacs)

	As at March 31, 2011	As at March 31, 2010
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	185.95	28.25
iii. Bank Guarantees issued on behalf of Subsidiaries to the parties	-	338.55
iv. Corporate Guarantee given by the Company in respect of credit limits sanctioned by banks to a subsidiary company	867.15	867.15
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) The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 relating to AS-11 notified by Govt. of India on March 31, 2009 which allows foreign exchange on long term monetary items to be capitalized to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the period of monetary asset/liability or the period up to 31st March 2011, whichever is earlier.**

As at 31st March, 2011, Rs.NIL remains to be amortised in the "Foreign Currency Monetary Items Translation Reserve Account".

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.315.29 Lacs is recognised as asset for the Financial Year in the Balance Sheet.**5) 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 shares of subsidiaries and pledge of fixed and recurring deposits with a Bank and further secured by personal guarantee of a Director.

(b) 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 Employee's State Insurance Fund (under the provisions of the Employee's 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 :

(Rs.in Lacs)

	As at March 31, 2011	As at March 31, 2010
Employer's contribution to Provident Fund	27.53	28.83
Employer's contribution to Employees' State Insurance	43.90	34.92

II. Disclosures for Defined Benefit Plans based on actuarial report as on March 31, 2011

A. Change in Defined Benefit Obligation

(Rs.in Lacs)

	(Non-Funded)	
	Gratuity	
	As at March 31, 2011	As at March 31, 2010
Projected benefit obligations as at the beginning of the year	60.73	55.05
Service Cost	9.66	12.99
Interest cost	5.16	4.68
Past service cost	-	-
Actuarial (gain)/loss on obligation	(28.16)	(9.71)
Benefit Paid	(3.84)	(2.28)
Projected benefit obligations as at the end of the year	43.55	60.73

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

(Rs.in Lacs)

	As at March 31, 2011	As at March 31, 2010
Current service cost	9.66	12.99
Interest cost	5.16	4.68
Expected Return on Plan Assets	-	-
Net Actuarial gain	(28.16)	(9.71)
Net Periodic cost	(13.33)	7.96

C. Amount recognized in the Balance Sheet:

(Rs.in Lacs)

	(Non-Funded)	
	Gratuity	
	As at March 31, 2011	As at March 31, 2010
Present Value of obligation	43.55	60.73
Present value of Assets	-	-
Liability recognised in Balance Sheet	43.55	60.73

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

(Rs.in Lacs)

	(Non-Funded)	
	Gratuity	
	As at March 31, 2011	As at March 31, 2010
Net Liability as at the beginning of the year	60.73	55.05
Expenses as above	(13.33)	7.96
Contributions Paid	(3.84)	(2.28)
Net Liability as at the end of the year	43.55	60.73

E. Principal actuarial assumptions used

	As at March 31, 2011
Discount Rate	8.50 %
Salary Increment Rate	6.00 %
Retirement Age	58 years
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	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
1	Salaries & Allowances	30.00	30.00	13.50	27.00
	Total	30.00	30.00	13.50	27.00

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

(Rs. in Lacs)

Sr. No.	Particulars	2010-11	2009-10
1	Profit Before Tax Add:	1581.96	1460.16
2	Managerial Remuneration	43.50	57.00
3	Loss on Sale of Assets	-	2.37
	Net Profit u/s 198 of the Companies Act, 1956	1625.46	1519.54
	Maximum Remuneration allowable under the Companies Act, 1956 (Restricted to 10% of Net Profits)	162.55	151.95

8) Auditors Remuneration

(Rs.in Lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
Statutory Audit	3.00	1.35
Tax Audit	2.00	0.73
Taxation Matters	1.10	2.10
Certification/other matters	3.22	0.97
Out of Pocket Expenses	0.06	0.15
Total	9.38	5.30

9) Deferred Tax

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

(Rs.in Lacs)

	As on 31st March, 2011		As on 31st March, 2010	
	Deferred tax Liability	Deferred tax Asset	Deferred tax Liability	Deferred tax Asset
Difference between book and tax depreciation	138.71	Nil	53.10	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) 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. 72.68 Lacs (Previous Year Rs.76.40 Lacs) is capitalized and shown as Intangible assets under the Group Fixed Assets.

12) Few debtors, creditors and loans and advances are subject to confirmation and reconciliation if any.
13) 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 31st March, 2011 in US \$ 12,50,000 amounting to Rs.5,95,68,750/-.

14) 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. 279.46 Lacs (Previous year. Rs. 238.48 Lacs). The future minimum lease payments under non-cancelable operating leases due within a period of one year are estimated at Rs. 25.50 Lacs (Previous year. Rs. 115.61 Lacs) and due later than one year but not later than five years are estimated at Rs.NIL. (Previous year Rs. NIL).

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

(Rs. In Lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
CIF Value of Import of Raw Materials, Components, spare parts and Capital Goods	1825.37	916.00
Expenditure in Foreign Currency on Travelling and Other Expenses	92.44	99.26
Earnings in Foreign Currency - Operations	6797.82	5472.07

16) 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 82 non-resident shareholders for the year 2009-10 amounted to Rs.1,93,947/-.

17) Earnings Per Share

(Rs. In Lacs)

	2010-11	2009-10
1. Net Profit After Tax available for Equity Shareholder	1496.35	1434.66
2. Prior Period Items	-	-
3. Adjusted Profit	1496.35	1434.66
4. Weighted Average No of Shares	5,85,61,409	5,84,00,450
5. Basic Earnings Per Share	Rs.2.56	Rs.2.46
6. Weighted Average No. of Shares after possible dilution of ESOP	6,46,06,409	5,84,00,450
7. Diluted Earnings Per Share	Rs. 2.32	Rs. 2.46

18) Segment Reporting

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

19) 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**

- 1 Tricom Document Management Inc.
- 2 Tricom Infotech Solutions Limited
- 3 Mastiff Tech Private Limited
- 4 Tricom I.T Services Private Limited
- 5 Tricom LPO Private Limited
- 6 Pacific Data Centers, Inc. *
- 7 Tricom Data Services, Inc.*
- 8 Tricom Data Discovery Services, Inc.*
- 9 Tricom Software Services, Inc.*
- 10 Tricom Litigation Coding Services, Inc.*
- 11 Tricom Infotech Solutions, Inc.##
- 12 Tricom Infotech Solutions (Cyprus) Limited #
- 13 GTESS - Tricom Corporation ###

* Held through Tricom Document Management, Inc.

Held through Tricom Infotech Solutions Limited

Held through Tricom Infotech Solutions (Cyprus) Limited

Held through Tricom Infotech Solutions, Inc.

b. Executive Directors:

- i. Mr. Chetan S. Kothari - Managing Director
- ii. Mr. Jayant B. Tanksale - Executive Director-operations ****

c. Non-Executive Directors

- i. Mr. Hiren Kothari
- ii. Mr. Gautam Berry
- iii. Mr. Hariom Tulsyan
- iv. Mr. Baldev Boolani
- v. Mr. Anil Bakshi **
- vi. Mr. Rasik Chaturvedi
- vii. Mr. Gaurav Bhatia ***
- viii. Mr. Vijay Bhatia

d. Entities having significant influence over the Company

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

** Ceased to be Director w.e.f 14th May, 2011

*** Appointed as Director w.e.f. 30th September, 2010

**** Re-appointed as Executive Director-operations w.e.f. 4th December, 2010

TRANSACTIONS:

(Amount in Lacs)

	Subsidiary Companies		Other Related Parties	
	2010-2011	2009-10	2010-2011	2009-10
Transactions				
Sales	4143.95	4144.79	--	--
Commission Paid	--	--	--	3.00
Expenses Reimbursed	--	3.11	--	--
Loans and Advances given	515.15	498.15	--	5.00
Loans/Deposits taken	--	--	340.00	270.28
Loans/Deposits repaid	--	30.00	340.00	285.28
Receipt of interest on Loan	75.13	55.07	--	--
Payment of interest on loan/deposits	--	1.94	3.82	4.12
Outstanding Receivables	2347.35	2179.33	--	--
Investment in Shares	7927.13	6511.30	--	--
Outstanding Loans and Advances given	1119.73	795.16	13.57	13.57

Remuneration to Mr. Chetan Kothari, Managing Director and Mr. Jayant Tanksale, Executive Director-operations have been given in Note No. 7 in Schedule P.

20) 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
 FRN -101332W

YOGESH J. BHATT

 Partner
 Membership No.30170

Place: Mumbai

Date : November 30, 2011

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI
 MANAGING DIRECTOR

JAYANT TANKSALE
 EXECUTIVE DIRECTOR-OPERATIONS

HIREN KOTHARI
 DIRECTOR

G.T.SHENOY
 COMPANY SECRETARY

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**ADDITIONAL INFORMATION AS REQUIRED UNDER PARA IV OF THE COMPANIES ACT, 1956.****i) Registration Details**

a) Registration No.	68953
b) State Code	11
c) Balance Sheet Date	March 31, 2011

ii) Capital Raised During the Period (Amount in Thousands)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	2,500

iii) Position of Mobilisation & Deployment of Fund (Amount in Thousands)

Total Liabilities	1,851,253
Total Assets	1,851,253
Sources of Funds	
Paid Up Capital	119,301
Share Application Money	-
Resrves & Surplus	958,029
Secured Loans	415,661
Unsecured Loans	344,390
Deferred Tax Liability (Net)	13,871
Application of Funds	
Net Fixed Assets	232,637
Investments	792,762
Net Current Assets	822,248
Miscellaneous Expenditure (To the extent not written off or adjusted)	3,605

iv) Performance of the Company (Amount in Thousands)

Turnover (Gross Receipts)	857,158
Total Expenditure	698,962
Profit before Tax	158,196
Profit after Tax	149,635
Earning per Share (Basic) Rs.	2.56
Earning per Share (Diluted) Rs.	2.32

v) Generic Names of Three Principal products / service of the Company (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 J.L. BHATT & CO.Chartered Accountants
FRN -101332W**YOGESH J. BHATT**Partner
Membership No.30170**Place:** Mumbai**Date :** November 30, 2011

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI

MANAGING DIRECTOR

JAYANT TANKSALE

EXECUTIVE DIRECTOR-OPERATIONS

HIREN KOTHARI

DIRECTOR

G.T.SHENOY

COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the year ended March 31, 2011	(Rs. in Lacs) For the year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	1,629.66	1,614.41
Adjustment for:		
Depreciation	543.59	368.28
Interest expenses	1,594.65	789.37
Interest Received	(698.29)	(121.13)
Forex fluctuation	(19.73)	194.64
Miscellaneous Expenses Written off	7.05	7.05
Loss on Sale of Fixed Assets	-	2.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,056.93	2,854.99
Adjustment for:		
Inventory	(1,771.66)	1.19
Trade and other receivable	213.57	(566.42)
Trade and other payables	492.72	(27.44)
CASH GENERATED FROM OPERATING ACTIVITIES	1,991.56	2,262.32
Direct Taxes (paid) / refund	(629.70)	(279.50)
OPERATING CASH FLOW BEFORE PRIOR PERIOD ITEM	1,361.85	1,982.82
Prior period income / (expenses)	-	-
NET CASH FROM OPERATING ACTIVITIES	1,361.85	1,982.82
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(67.34)	(1,097.02)
Purchase of Investments	(1,415.83)	(278.82)
Interest received	698.29	121.13
Inter Corporate Deposit placed	346.99	(341.10)
NET CASH USED IN INVESTING ACTIVITIES	(437.88)	(1,595.80)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of borrowings	1,875.21	940.11
Repayment of borrowings	(1,317.40)	(461.00)
Interest paid	(1,594.65)	(789.37)
Dividend Paid	(140.16)	(116.80)
Dividend tax paid	(23.82)	(19.85)
Proceeds from Issue of share capital	250.00	-
NET CASH FROM FINANCING ACTIVITIES	(950.83)	(446.92)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(26.86)	(59.90)
Cash and Cash equivalents at the beginning of the year	478.71	538.61
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	451.85	478.71

AUDITORS' 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, 2011** and found the same in agreement therewith.

AS PER OUR REPORT OF EVEN DATE
FOR **J.L. BHATT & CO.**
Chartered Accountants
FRN - 101332W

YOGESH BHATT
PARTNER
(M.No. 30170)

Place: Mumbai
Date : November 30, 2011

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 Infotech Solutions Limited	Tricom Infotech Solutions (Cyprus) Limited	Tricom Infotech Solutions, Inc.	GTESS-Tricom Corporation	Tricom LPO Private Limited	Tricom I.T Services Private Limited	Mastiff Tech Private Limited
	Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
1	Capital	585,550,761	725,563	12,792,359	237,940,430	140,018,426	121,391,773	148,014,750	215,863,131	43,087,250	100,000	100,000	1,600,000
2	Reserves	(43,315,792)	(62,605,452)	13,284,874	34,033,980	(15,701,439)	123,989,224	6,873,475	7,695,219	-	-	1,094,325	4,071,425
3	Total Assets	746,681,591	27,301,991	57,960,905	318,106,076	169,799,824	335,794,355	154,888,225	242,455,168	43,156,011	100,000	14,661,150	13,196,022
4	Total Liabilities	746,681,591	27,301,991	57,960,905	318,106,076	169,799,824	335,794,355	154,888,225	242,455,168	43,156,011	100,000	14,661,150	13,196,022
5	Details of Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	243,831,024	33,230,580	161,998,044	279,067,314	17,759,436	202,613,154	-	203,004,153	-	-	27,663,972	16,000,149
7	Profit/(Loss) before taxation	31,292,866	(23,560,261)	3,506,985	8,454,801	(22,335,303)	164,906,903	220,641	440,903	-	-	204,330	(172,812)
8	Provision for taxation	(985,336)	-	-	-	-	170,834	10,724	148,785	-	-	63,599	91,163
9	Profit after taxation	32,278,203	(23,560,261)	3,506,985	8,454,801	(22,335,303)	39,609,023	209,916	292,118	-	-	140,731	(263,975)
10	Proposed/Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Exchange Rate Used	44.65	44.65	44.65	44.65	44.65	-	44.65	44.65	44.65	-	-	-
	Local Currency	USD	USD	USD	USD	USD	INR	USD	USD	USD	INR	INR	INR

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 these Companies ends on 31st, December 2010. However, the results given are as of March 31, 2011.

The financial year of this Company ends on 30th June, 2010. However, the results given are as of March 31, 2011.

AS PER OUR REPORT OF EVEN DATE

For J.L. BHATT & CO.
Chartered Accountants
FRN-101332W

YOGESH J. BHATT
Partner
Membership No.30170

Place: Mumbai
Date : November 30, 2011

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI
MANAGING DIRECTOR

JAYANT TANKSALE
EXECUTIVE DIRECTOR-OPERATIONS

HIREN KOTHARI
DIRECTOR

G.T.SHENOY
COMPANY SECRETARY

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Tricom India Limited

1. We have audited the attached Consolidated Balance Sheet of **Tricom India Limited** as at **31st March, 2011**, 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 Limited'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.9386.81 Lacs as at 31st March, 2011 and total revenue of Rs. 8413.73 Lacs and net cash inflows amounting to Rs.51.15 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 Limited'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 31st March, 2011.
 - 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 Accountant
FRN -101332W

YOGESH J. BHATT
PARTNER
Membership No.30170

Place : Mumbai
Date : November 30, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

PARTICULARS	SCHEDULE	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS			
Share Capital	A	119,300,900	116,800,900
Reserves & Surplus	B	1,011,547,782	806,890,221
LOAN FUNDS			
Secured Loans	C	499,663,662	632,858,054
Unsecured Loans	D	370,621,547	167,772,772
Deferred Tax Liability		23,208,326	14,257,701
TOTAL		<u>2,024,342,216</u>	<u>1,738,579,648</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	E	1,337,149,449	879,112,068
Less : Accumulated Depreciation		272,091,537	188,046,949
Net Block		1,065,057,913	691,065,119
Add: Capital Work In Progress		13,000,000	55,151,984
Total Fixed Asset		<u>1,078,057,913</u>	<u>746,217,104</u>
INVESTMENTS	F	49,000	49,000
DEFERRED TAX ASSET		1,11,36,346	1,13,78,649
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories (Certified By Management)		183,502,425	5,265,000
Sundry Debtors	G	408,914,593	641,410,077
Cash & Bank Balances	H	63,419,403	71,127,165
Loans & Advances	I	536,724,103	456,877,200
		1,192,560,524	1,174,679,442
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	132,219,856	97,228,606
Provisions	K	139,130,437	100,825,973
		271,350,293	198,054,579
NET CURRENT ASSETS		921,210,231	976,624,863
MISCELLANEOUS EXPENDITURE			
(To The Extent Not Written Off Or Adjusted)		13,888,726	4,310,033
TOTAL		<u>2,024,342,216</u>	<u>1,738,579,648</u>
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO THE ACCOUNTS			
AS PER OUR REPORT OF EVEN DATE		FOR AND ON BEHALF OF THE BOARD	
For J.L. BHATT & CO. Chartered Accountants FRN-101332W		CHETAN KOTHARI MANAGING DIRECTOR	
YOGESH J. BHATT Partner Membership No.30170		HIREN KOTHARI DIRECTOR	
Place : Mumbai		JAYANT TANKSALE EXECUTIVE DIRECTOR- OPERATIONS	
Date : November 30, 2011		G.T. SHENOY COMPANY SECRETARY	

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011 (Amount in Rs.)

PARTICULARS	SCHEDULE	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME :			
Income From Operations		1,131,435,738	902,069,328
Increase / (Decrease) Stock-in-trade & work-in-progress		177,994,899	(118,700)
Other Income		4,959,367	4,718,050
TOTAL		1,314,390,005	906,668,678
EXPENDITURE :			
Purchase of Software		181,408,925	-
Staff Cost	M	365,017,981	323,014,003
Administrative & Other Expenses	N	324,957,006	177,563,038
Pre-operative Expenses Written Off		40,681,014	-
Exchange Rate Difference		3,564,387	99,328,869
TOTAL		915,629,312	599,905,910
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX		398,760,692	306,762,767
Less : Interest & Finance Cost (Net)	L	110,959,398	94,158,967
PROFIT BEFORE DEPRECIATION AND TAX		287,801,294	212,603,800
Less : Depreciation	E	81,351,478	48,013,734
PROFIT BEFORE TAX		206,449,817	164,590,066
Less : Provision For Taxation		38,834,142	35,841,479
Less : MAT Credit Entitlement		(39,619,700)	(34,435,991)
Less : Deferred Tax		8,829,433	777,081
PROFIT AFTER TAX BUT BEFORE EXCEPTIONAL ITEMS		198,405,941	162,407,496
Exceptional Items			
Amortisation Of Foreign Currency Monetary Item			
Translation Difference		4,770,010	15,424,737
NET PROFIT FOR THE PERIOD		193,635,932	146,982,759
Add: Balance Brought Forward From Last Year		541,935,964	421,351,351
Less: (Income) / Expenditure For Earlier Years		(1,045,794)	-
PROFIT AVAILABLE FOR APPROPRIATION		736,617,690	568,334,110
Appropriation			
Proposed Dividend		13,139,090	14,016,108
Dividend Tax		2,182,239	2,382,038
General Reserve		-	10,000,000
CARRIED TO BALANCE SHEET		721,296,361	541,935,964
EARNING PER SHARE			
Basic		3.31	2.52
Diluted		3.00	2.52
SIGNIFICANT ACCOUNTING POLICIES			
NOTES TO THE ACCOUNTS			
AS PER OUR REPORT OF EVEN DATE		FOR AND ON BEHALF OF THE BOARD	
For J.L. BHATT & CO. Chartered Accountants FRN -101332W		CHETAN KOTHARI MANAGING DIRECTOR	
YOGESH J. BHATT Partner Membership No.30170		HIREN KOTHARI DIRECTOR	
		JAYANT TANKSALE EXECUTIVE DIRECTOR- OPERATIONS	
Place : Mumbai		G.T. SHENOY	
Date : November 30, 2011		COMPANY SECRETARY	

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As At March 31, 2011	As At March 31, 2010
SCHEDULE A :		
SHARE CAPITAL		
Authorised Capital		
8,75,00,000 Equity Shares of Rs.2/- each (Previous year 8,75,00,000 Equity Shares of Rs.2/- each)	175,000,000	175,000,000
2,50,000 Preference Shares of Rs.100/- each (Previous year 2,50,000 Preference Shares of Rs.100/- each)	25,000,000	25,000,000
TOTAL	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid up Capital		
5,96,50,450 Equity Shares of Rs.2/- each (Previous year 584,00,450 Equity Shares of Rs. 2/- each)	119,300,900	116,800,900
TOTAL	<u>119,300,900</u>	<u>116,800,900</u>
SCHEDULE B :		
RESERVE & SURPLUS		
Share Premium		
Opening Balance	220,268,130	216,277,650
Add: On Issue of Equity Capital	22,500,000	-
Add: Transferred during the year from Employee Stock Option	-	3,990,480
	242,768,130	220,268,130
Capital Reserve		
Opening Balance	31,995	31,995
	31,995	31,995
General Reserve		
Opening Balance	47,451,296	37,451,296
Add : Transferred During the year	-	10,000,000
	47,451,296	47,451,296
Employee Stock Option Outstanding		
Opening Balance	-	3,990,480
Less: Transferred to Share Premium A/c	-	3,990,480
	-	-
Foreign Currency Monetary Item Translation Difference		
	-	(2,797,164)
Balance as per Profit & Loss Account	721,296,361	541,935,964
TOTAL	<u>1,011,547,782</u>	<u>806,890,221</u>
SCHEDULE C :		
SECURED LOANS		
A. Loans from Banks		
Term Loans & Buyer's Credit	367,280,313	506,420,083
Working Capital Loans	124,731,237	120,522,526
B. Vehicle Loans		
	7,652,112	5,915,444
TOTAL	<u>499,663,662</u>	<u>632,858,054</u>
SCHEDULE D :		
UNSECURED LOANS		
60,45,000 15% Fully Convertible Debentures of Rs. 20/-each	120,900,000	-
Inter Corporate Deposits	187,822,116	149,431,456
From others	61,899,431	18,341,316
TOTAL	<u>370,621,547</u>	<u>167,772,772</u>

SCHEDULE E : FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION					NET BLOCK	
	As at 01-Apr-10	Additions during the year	Deductions	As at 31-Mar-11	As at 01-Apr-10	Additions on acquisition	For the Year	Deductions	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
<u>TANGIBLE ASSETS</u>											
AIR CONDITIONERS	3,823,900	2,477,555	-	6,301,455	607,755	-	244,509	-	852,264	5,449,191	3,216,145
COMPUTERS	118,510,335	9,421,093	-	127,931,428	77,711,248	2,944,227	13,553,355	820,696	93,388,134	34,543,294	40,799,087
ELECTRICAL INSTALLATIONS	10,933,076	3,558,611	-	14,491,687	2,079,827	103,453	625,413	28,999	2,779,694	11,711,993	8,853,249
FAX MACHINE	11,055	-	-	11,055	2,978	-	525	-	3,503	7,552	8,077
FURNITURE & FIXTURES	43,691,395	30,400,182	-	74,091,577	11,412,438	689,632	5,645,255	196,099	17,551,226	56,540,351	32,278,957
OFFICE EQUIPMENTS	13,262,323	4,665,470	-	17,927,793	10,448,748	1,592	1,212,926	-	11,663,266	6,264,527	2,813,575
MOTOR CARS	11,728,005	3,997,241	-	15,725,246	3,445,724	-	1,459,006	-	4,904,730	10,820,516	8,282,281
TELEPHONE INSTALLATIONS	303,808	110,100	-	413,908	70,406	-	17,299	-	87,705	326,203	233,402
STORAGE BINS	95,649	-	-	95,649	50,212	-	21,798	-	72,010	23,639	45,437
<u>INTANGIBLE ASSETS</u>											
*GOODWILL	413,680,990	262,342,214	-	676,023,204	1,859,218	-	-	-	1,859,218	674,163,986	411,821,772
CUSTOMER RELATED INTANGIBLES	28,487,029	-	-	28,487,029	28,487,029	-	-	-	28,487,029	-	-
SOFTWARE PURCHASED	179,431,604	134,384,500	** 5,88,000	313,228,104	31,834,156	-	41,690,477	-	73,524,633	239,703,472	147,597,448
SOFTWARE DEVELOPMENT	55,152,899	7,268,416	-	62,421,315	20,037,210	-	16,880,916	-	36,918,126	25,503,189	35,115,689
(Refer Note No.8 at Schedule P)											
TOTAL	879,112,068	458,625,381	588,000	1,337,149,449	188,046,949	3,738,904	81,351,478	1,045,794	272,091,537	1,065,057,913	691,065,119
Previous Year	661,776,107	234,929,079	17,593,117	879,112,068	157,272,996	-	48,013,734	17,239,806	188,046,949	691,065,119	504,503,086

* Goodwill includes goodwill on consolidation Rs.170,761,641/-

** Deduction represents adjustment on account of Forex fluctuations.

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)

	As At March 31, 2011	As At March 31, 2010
SCHEDULE F :		
INVESTMENTS (AT COST) - LONG TERM		
NON TRADE		
OTHERS		
4,900 Equity Shares of Malad Sahakari Bank Ltd. Of Rs.10/- each	49,000	49,000
TOTAL	49,000	49,000
SCHEDULE G :		
SUNDRY DEBTORS		
(UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)		
Outstanding for a period		
- Exceeding Six Months	60,922,712	336,824,185
Less : Provision for doubtful debts	(8,255,129)	-
- Others	356,247,010	304,585,891
TOTAL	408,914,593	641,410,077
SCHEDULE H :		
CASH & BANK BALANCES		
Cash on hand	1,360,852	508,850
Balances with Scheduled Banks		
- in Current Accounts	16,857,376	23,173,684
- in EEFC Account	43,245	499,785
- in Fixed Deposit Account *	40,073,282	41,860,198
- in RD Accounts*	5,084,648	5,084,648
* Pledged with a Bank		
TOTAL	63,419,403	71,127,165
SCHEDULE I :		
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Loans to Companies & Other Parties	177,308,016	195,102,570
Advance Recoverable in Cash or Kind or for value to be received	82,518,871	62,146,009
Security Deposits	54,530,785	32,024,406
Prepaid Expenses	24,612,820	49,399,473
Income Tax Advance	197,753,611	118,204,742
TOTAL	536,724,103	456,877,200
SCHEDULE J :		
CURRENT LIABILITIES		
Sundry Creditors	63,799,494	16,601,411
Other Liabilities	68,420,362	80,627,195
TOTAL	132,219,856	97,228,606
SCHEDULE K :		
PROVISIONS		
Provision for Income Tax	113,645,055	73,889,253
Provision for Fringe Benefit Tax	3,686,573	3,686,573
Proposed Dividend	13,139,090	14,016,108
Provision for Tax on Dividend	2,182,239	2,382,038
Provision for Retirement Benefits	6,477,480	6,852,001
TOTAL	139,130,437	100,825,973

CONSOLIDATED SCHEDULES TO PROFIT & LOSS ACCOUNT

(Amount in Rs.)

	As At March 31, 2011	As At March 31, 2010
SCHEDULE L :		
INTEREST & FINANCE COST (NET)		
Finance Charges	22,150,282	10,809,580
Interest paid		
Interest on Fixed Loans		
-Banks	36,496,204	31,957,481
-Others	89,398,061	40,373,808
Interest on Cash Credit	25,387,214	17,710,838
	<u>173,431,760</u>	<u>100,851,706</u>
Less: Interest earned	62,472,363	6,692,739
TOTAL	<u><u>110,959,398</u></u>	<u><u>94,158,967</u></u>
SCHEDULE M :		
STAFF COST		
Salaries,Wages and bonus	343,086,608	294,846,739
Contribution to Provident and Other Funds	13,180,754	11,472,707
Director's remuneration	4,350,000	13,389,996
Staff Welfare	7,251,198	5,907,855
	<u>367,868,561</u>	<u>325,617,296</u>
Less: Software Development Cost (See Note no.8 of Schedule P)	2,850,580	2,603,293
TOTAL	<u><u>365,017,981</u></u>	<u><u>323,014,003</u></u>
SCHEDULE N :		
ADMINISTRATIVE & OTHER EXPENSES		
Advertisement and Sales Promotion	3,872,598	2,344,863
Auditors Remuneration	1,845,303	2,854,051
Bad Debts Written Off	18,415,042	319,030
Bank Charges	3,825,206	3,626,922
Commision	4,956,293	6,960,267
Communication charges	13,615,781	14,401,781
Directors Sitting Fees	255,000	235,000
Donations	39,004	906,015
Electricity Charges	25,804,709	17,845,955
Foreign travel	3,544,721	3,579,812
Insurance Charges	5,617,710	9,299,963
Legal & Professional Fees	36,811,724	25,900,844
Miscellaneous Expenditure Wriitten Off	705,180	705,180
Miscellaneous Expenses	6,553,419	4,699,495
Motor Car Expenses	631,151	1,379,510
Office Expenses & Utilities	1,599,615	2,488,449
Printing & Stationery	2,473,171	1,265,161
Processing Cost	80,145,600	-
Loss on sale of Fixed Asset	-	237,241
Provision for Doubtful Debts	2,289,427	-
Rebates & Discount	17,695,852	4,697,249
Rent Rates & taxes	69,326,408	48,114,108
Repair & Maintenance Charges	6,442,200	5,963,622
Security Charges	2,392,362	1,943,780
Service Charges	4,763,870	9,016,469
Taxes	1,056,174	459,059
Travelling and Conveyance Charges	13,804,836	12,710,659
Water Charges	892,486	645,118
	<u>329,374,842</u>	<u>182,599,604</u>
Less : Capitalistion of Software (See Note no 8 of Schedule P)	4,417,836	5,036,566
TOTAL	<u><u>324,957,006</u></u>	<u><u>177,563,038</u></u>

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 effect 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 recognised in the period in which it gets materialised.

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 follows calendar year as their accounting year. However, the accounts for April 1, 2010 to March 31, 2011 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, 2010 to March 31, 2011 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, Tricom Infotech Solutions, Inc. and GTESS Tricom Corporation follow the financial year as their accounting year.
- (e) Mastiff Tech Private Limited, Tricom I.T Services Private Ltd (formerly known as Mastiff Internet Media Solutions Private Limited) and Tricom LPO Private Limited follow the financial year as their accounting year.
- (f) Consolidated financial statements relates to Tricom India Limited, the Parent Company and its Wholly Owned Subsidiaries, Tricom I.T Services Private Limited, Mastiff Tech Private Limited, Tricom LPO Private Limited, 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 and Tricom Infotech Solutions Limited (formerly Godrej Global Solutions Limited) and its subsidiaries Tricom Infotech Solutions (Cyprus) Limited, Tricom Infotech Solutions, Inc. & GTESS Tricom Corporation. 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 licenses 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, 1972 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.

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 licenses. 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 licenses. 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 company is exempted from attaching the Balance Sheet and other details required under section 212(8) of the Companies Act, 1956 of the subsidiaries of the Company, vide Circular No.2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively issued by the Ministry of Corporate Affairs.

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

(Rs.in Lacs)

1) CONTINGENT LIABILITY

		As at March 31, 2011	As at March 31, 2010
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	185.95	28.25
iii.	Bank Guarantees issued on behalf of Subsidiaries	-	338.55
iv.	Corporate Guarantee given by the Company in respect of credit limits sanctioned by banks to a Subsidiary Company	867.15	867.15

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 shares of subsidiaries and 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) The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 relating to AS-11 notified by Govt. of India on March 31, 2009 which allows foreign exchange on long term monetary items to be capitalized to the extent they relate to acquisition of depreciable assets and in other cases to amortise over the period of monetary asset/liability or the period up to 31st March 2011, whichever is earlier.

As at 31st March 2011, Rs.NIL remains to be amortised in the "Foreign Currency Monetary Items Translation Reserve Account".

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.396.20 Lacs is recognised as asset for the Financial year in the Balance Sheet.

6) Retirement benefits
i. Defined Contribution Plans:

Amount of Rs.132.92 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	March 31, 2011	March 31, 2010
Present Value of obligation	56.04	68.52
Present Value of Assets	-	-
Liability recognized in Balance Sheet	56.04	68.52

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

(Rs.in Lacs)

Period Beginning	March 31, 2011	March 31, 2010
Current service Cost	13.42	15.30
Interest Cost	5.82	5.27
Expected Return on Plan Assets	-	-
Net Actuarial gain	(26.15)	(11.80)
Net Periodic Cost	(6.91)	8.78

d) Movement in net liability recognized in Balance Sheet

(Rs.in Lacs)

Period Beginning	March 31, 2011	March 31, 2010
Opening net liability	68.52	62.03
Expenses as above	(6.91)	8.78
Contributions Paid	(5.57)	(2.29)
Closing net liability	56.04	68.52

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 Director		Executive Directors	
		31-03-2011	31-03-2010	31-03-2011	31-03-2010
1	Salaries & Allowances	30.00	106.78	13.50	62.88
	Total	30.00	106.78	13.50	62.88

8) 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.72.68 Lacs (Previous Year Rs. 76.40 Lacs) is capitalized and shown as Intangible assets under the Group Fixed Assets.

9) 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.693.26 Lacs (Previous year. Rs. 481.14 Lacs). The future minimum lease payments under non-cancelable operating leases due within a period of one year are estimated at Rs.25.50 Lacs (Previous year. Rs.377.56 Lacs) and due later than one year but not later than five years are estimated at Rs.Nil. (Previous year Rs. 780.60 Lacs).

10) Earnings Per Share

(Rs.in lacs)

	2010-2011	2009-2010
1. Net Profit After Tax available for Equity Shareholder	1946.82	1,469.83
2. Prior Period Items	10.46	--
3. Adjusted Profit	1936.36	1,469.83
4. Weighted Average No of Shares	58561409	5,84,00,450
5. Basic Earnings Per Share	3.31	2.52
6. Weighted Average No. of Shares after possible dilution of ESOP	64606409	5,84,00,450
7. Diluted Earnings Per Share	3.00	2.52

11) Related Party Disclosure:

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

RELATED PARTIES

a. Subsidiary Companies

- 1 Tricom Document Management Inc.
- 2 Tricom Infotech Solutions Limited
- 3 Mastiff Tech Private Limited
- 4 Tricom I.T Services Private Limited
- 5 Tricom LPO Private Limited
- 6 Pacific Data Centers, Inc. *
- 7 Tricom Data Services, Inc.*
- 8 Tricom Data Discovery Services, Inc.*
- 9 Tricom Software Services, Inc.*
- 10 Tricom Litigation Coding Services, Inc.*
- 11 Tricom Infotech Solutions, Inc.##
- 12 Tricom Infotech Solutions (Cyprus) Limited #
- 13 GTESS - Tricom Corporation ###

* Held through Tricom Document Management, Inc.

Held through Tricom Infotech Solutions Limited

Held through Tricom Infotech Solutions (Cyprus) Limited

Held through Tricom Infotech Solutions, Inc.

b. Executive Directors:

- i. Mr. Chetan S. Kothari - Managing Director
- ii. Mr. Jayant B. Tanksale - Executive Director - operations ****
- iii. Mr. Sameer Sheth - Director

c. Non-Executive Directors

- i. Mr. Hiren Kothari
- ii. Mr. Gautam Berry
- iii. Mr. Hariom Tulsyan
- iv. Mr. Baldev Boolani
- v. Mr. Anil Bakshi **
- vi. Mr. Rasik Chaturvedi
- vii. Mr. Gaurav Bhatia ***
- viii. Mr. Vijay Bhatia

d. Entities having significant influence over the Company

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

** Ceased to be Director w.e.f 14th May, 2011

*** Appointed as Director w.e.f. 30th September, 2010

**** Re-appointed as Executive Director-operations w.e.f. 4th December, 2010.

TRANSACTIONS:

(Rupees in Lacs)

	Subsidiary Companies		Other Related Parties	
	2010-2011	2009-10	2010-2011	2009-10
Transactions				
Sales	4143.95	4144.79	-	-
Commission Paid	-	-	-	3.00
Expenses Reimbursed	-	3.11	-	-
Loans and Advances given	515.15	498.15	-	5.00
Loans/Deposits taken	-	-	340.00	270.28
Loans/Deposits repaid	-	30.00	340.00	285.28
Receipt of interest on Loan	75.13	55.07	-	-
Payment of interest on loan/deposits	-	1.94	3.82	4.12
Amount due to / from Related Parties				
Outstanding Receivables	2347.35	2179.33	-	-
Investment in Shares	7927.13	6511.30	-	-
Outstanding Loans and Advances given	1119.73	795.16	13.57	13.57

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

- 12) 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
FRN -101332W**YOGESH J. BHATT**Partner
Membership No.30170**Place:** Mumbai**Date :** November 30, 2011

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 31ST MARCH, 2011 (Rs.in Lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	2,064.50	1,645.90
Adjustment for:		
Depreciation	813.51	480.14
Interest expenses	1,734.32	1,008.52
Interest Received	(624.72)	(66.93)
Forex fluctuation	(19.99)	193.61
Miscellaneous Expenses Written off	7.05	7.05
Loss on Sale of Fixed Assets	-	2.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,974.67	3,270.66
Adjustment for:		
Inventory	(1,782.37)	1.19
Trade and other receivable	2,144.03	311.15
Trade and other payables	346.17	(540.56)
CASH GENERATED FROM OPERATING ACTIVITIES	4,682.50	3,042.44
Direct Taxes (paid) / refund	(390.08)	(294.61)
OPERATING CASH FLOW BEFORE PRIOR PERIOD ITEM	4,292.42	2,747.83
Prior period income / (expenses)	10.46	-
Net cash from Operating activity	4,302.88	2,747.83
B CASH FLOW FROM INVESTING ACTIVITIES :		
Sale/(Purchase) of fixed assets	(4,131.92)	(2,524.09)
Interest received	624.72	66.93
Inter Corporate Deposit placed	177.95	95.41
NET CASH USED IN INVESTING ACTIVITIES	(3,329.25)	(2,361.76)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds of borrowings	2,087.94	1,223.65
Repayment of borrowings	(1,391.40)	(457.26)
Interest paid	(1,734.32)	(1,008.52)
Dividend Paid	(140.16)	(116.80)
Dividend tax paid	(23.82)	(19.85)
Proceeds from Issue of share capital	250.00	-
Preliminary expenses incurred	(102.84)	-
NET CASH FROM FINANCING ACTIVITIES	(1,054.59)	(378.78)
D ADJUSTMENT ON ACCOUNT OF ACQUISITION	3.89	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(77.08)	7.29
Cash and Cash equivalent at the beginning of the year	711.27	703.98
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	634.19	711.27

AUDITORS' 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, 2011** and found the same in agreement therewith.

AS PER OUR REPORT OF EVEN DATE
FOR **J.L. BHATT & CO.**
Chartered Accountants
FRN-101332W

FOR AND ON BEHALF OF THE BOARD

YOGESH J. BHATT
PARTNER
Membership No. 30170

CHETAN KOTHARI
MANAGING DIRECTOR

Place : Mumbai
Date : November 30, 2011



TRICOM INDIA LIMITED

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

ATTENDANCE SLIP

19th Annual General Meeting

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my presence at the 19th Annual General Meeting held at School Hall, Damodar Hall Educational Campus, Dr. Ambedkar Marg, Parel Naka, Mumbai - 400 012 on 31st December, 2011 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)

Signature

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

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

Tear Here



TRICOM INDIA LIMITED

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

PROXY FORM

19th Annual General Meeting

(To be handed over at the entrance of the Meeting Hall)

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

I/We.....

of.....in the district ofbeing a Member/Members of TRICOM

INDIA LIMITED hereby appoint

of..... in the district ofor failing

him.....of.....in the district of

..... as my/our Proxy to attend and vote for me/ us on my/our behalf

at the 19th Annual General Meeting of Tricom India Limited to be held on 31st December, 2011 at 11.00 a.m. and

at any adjournment thereof.

Signed this.....day of.....2011.

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

Signature of Proxy.....

Affix
Re.1.
Revenue

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.

Tear Here

BOOK-POST

To,

If undelivered, please return to:

SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit : Tricom India Limited

Unit 1, Luthra Ind. Premises, Andheri Kurla Road,
Safed Pool, Andheri (E), Mumbai - 400 072.