

BOARD OF DIRECTORS

Mr. Chetan Kothari*	Chairman and Managing Director
Mr. Baldev Boolani*	Director
Mr. Jayant Tanksale #	Director
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
Mr. Paresh Pathak##	Director

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-400072.

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.
Ph.Nos.: (91-22) 2851 5606/2851 5644;

- * Mr. Baldev Boolani has stepped out as chairman of the Company and Mr. Chetan Kothari has been appointed as Chairman of the Company w.e.f. October 16, 2012
- ** Ceases to be a Director w.e.f 14th May, 2011.
- *** Ceases to be a Director w.e.f. 6th January, 2012.
- **** Ceases to be a Director w.e.f. 14th May, 2012.
- ***** Ceases to be a Director w.e.f. 4th September, 2012.
- ***** Ceases to be a Director w.e.f. 31st October, 2012.
- # Re-appointed as Executive Director-Operations and his designation has been changes from 14th February, 2012.
- ## Appointed as Director on 14th February, 2012.

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NOTICE

The Twentieth Annual General Meeting of **TRICOM INDIA LIMITED** will be held on **31st Day of December, 2012** at **11.00 a.m.** at School Hall, Damodar Hall Educational Campus, Dr. Ambedkar Marg, Parel Naka, Mumbai - 400012 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31st March 2012, the Balance Sheet as at that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint, Mr. Jayant Tanksale as Director, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint, Mr. Baldev Boolani as Director, who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS

4. Appointment of Statutory Auditors

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

“RESOLVED THAT subject to the provisions of Sections 224,225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Koshal & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as a Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in place of the retiring auditors, to examine and audit the accounts of the company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

5. Appointment of Mr. Paresh Pathak as a Director

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

“RESOLVED THAT, Mr. Paresh Pathak, who was appointed by the Board as an Additional Director of the Company on 14th February, 2012 and who in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, who being eligible, offers himself for appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Paresh Pathak as a candidate for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

6. To Ratify pre and post Shareholding of Mr. Paras Bhatia considering the issue and allotment of 85, 10,000 Equity Shares of ₹ 2/- each on preferential basis

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

The Board hereby seeks the ratification of the Shareholders of the pre and Post holding of Mr. Paras Bhatia as below considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each preferential basis.

“RESOLVED THAT the Board hereby seeks the ratification of the Shareholders of the Pre & Post Shareholding of Mr. Paras Bhatia considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each.

Name of the proposed Allottee	No of Equity Shares to be allotted	Pre Allotment Holding	Post Allotment Holding
Mr. Paras Bhatia	75,000	52,500	1,27,500

“RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution.”

7. Ratification of relevant date considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each on preferential basis.

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

The Board hereby seeks the ratification of the Shareholders for the relevant date taken as 17.01.2012 instead of 18.01.2012.

“RESOLVED THAT the Board hereby seeks the ratification of the Shareholders for the relevant date taken as 17.01.2012 instead of 18.01.2012 considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each and 50,00,000 Fully Convertible Warrants on preferential basis.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all acts, things, deeds as may be necessary, proper and expedient to give effect to this Resolution”

8. To Ratify of pre and post Shareholding Pattern after considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each and 50,00,000 fully convertible warrants on preferential basis.

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

“RESOLVED THAT, company do hereby ratify the pre and post issue shareholding Structure of the company considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each and 50,00,000 Fully Convertible Warrants on preferential basis:

(A)	Shareholding of Promoter and Promoter Group	Pre	%	Post	%
1	Indian				
a	Individual HUF	5645254	7.46	5645254	7.00
b	Central/State Government	-	-	-	-
c	Bodies Corporates	3307259	4.37	3307259	4.10
d	Fins / Banks	-	-	-	-
e	Any other specify	-	-	-	-
	Sub Total(A)(1)	8952513	11.83	8952513	11.09
2	Foreign	-	-	-	-
a	Individual NRI/For Ind	-	-	-	-
b	Bodies Corporate	-	-	-	-
c	Institutions	-	-	-	-
d	Any other specify	-	-	-	-
	Sub Total(A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group Total (A)= (A)(1)+(A)(2)	8952513	11.83	8952513	11.09
(B)	Public Shareholding				
1	Institutions	-	-	-	-
a	Mutual Funds	-	-	-	-
b	Fins / Banks	27000	0.04	27000	0.03
c	Central/State Government	160235	0.21	160235	0.20
d	Venture Cap Fund	-	-	-	-
e	Insurance Comp(s)	-	-	-	-
f	Foreign Ins Invest	-	-	-	-
g	Foreign Ven Cap In	-	-	-	-
h	Any other -Specify	-	-	-	-
	Sub-Total (B)(1)	187235	0.25	187235	0.23
B 2	Non-institutions				
a	Bodies Corporates	18662644	24.65	21962644	27.22
b	Individuals				
	i) upto ₹ 1-Lac	11366467	15.02	11366467	14.09
	ii) above ₹ 1-Lac	25690548	33.94	27390548	33.94
c	Any other - Clr-Mem	1068160	1.41	1068160	1.32
	-OCB	-	-	-	-
	-NRI	3817883	5.04	3817883	4.73
	Sub-Total (B)(2)	60605702	80.07	65605702	81.30
(B)	Total (B)= (B)(1)+(B)(2)	60792937	80.31	65792937	81.53
	TOTAL (A)+(B)	69745450	92.14	74745450	92.63
(C)	Held by Custodians against Depository Receipts				
	PROMOTER & PRO GRP	-	-	-	-
	PUBLIC	5950000	7.86	5950000	7.37
	GRAND TOTAL (A)+(B)+(C)	75695450	100.00	80695450	100.00

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all acts, things, deeds as may be necessary, proper and expedient to give effect to this Resolution”

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai

Date : 24th November, 2012

Reg off:

Tricom House, Gandhi Estate

Safed Pool , Andheri Kurla Road,

Andheri (East), Mumbai-400072

CHETAN KOTHARI

CHAIRMAN & MANAGING DIRECTOR

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. 2 & 3 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, 26th December, 2012 to 31st December, 2012 (both days inclusive).
4. Members holding shares in electronic form are requested to intimate immediately any change in their address and e-mail Id's 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 e-mail id immediately to the Company/ Registrar & Transfer Agent, M/s. Sharex Dynamic (India) Pvt. Ltd. having their office premises at Unit-1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, 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
2	Mr. Jayant Tanksale	He is a post graduate in Physics and in Diploma Holder in Computer Management from Bombay University. He has an experience of over 26 years in the IT Industry and has worked on various National and International assignments. His areas of operations are software development, operation and facility management and performance monitoring of computer system.	Directorships In : <ul style="list-style-type: none"> • Trio Mercantile & Trading Limited • Tricom Infotech Solutions Limited • Tricom I.T Services Private Limited

3	Mr. Baldev Boolani	Has over 53 years of experience in manufacture of plastic processing machines. Has vast expertise in the area of education, finance and banking. He has been the President of All India Plastic Manufacturers Association, President of Indian Chambers of Society of Plastic Engineers Inc. USA and has represented India in International seminars	Directorship in : • SP Capital Financing Limited
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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.4

M/s J. L. Bhatt & Co., Chartered Accountants, Mumbai have vide their letter dated November 20, 2012 expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company, with effect from the conclusion of the ensuing Annual General Meeting of the Company, on account of his preoccupation of ongoing professional assignment.

In view of the above, the Board of Directors propose the appointment of M/s Koshal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company in place of M/s J. L. Bhatt & Co., Chartered Accountants for the financial year 2012-2013, i.e. with effect from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

The Company has received a special notice from a member of the Company, in terms of the provisions of the Act, signifying his intention to propose the appointment of M/s Koshal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. As required the said auditors have forwarded certificate to the Company stating that their appointment, if made, will be within the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Further they have confirmed that they are not disqualified to be appointed as the auditors under Section 226 of the Companies Act, 1956.

The Members approval is being sought to the appointment of M/s. Koshal & Associates, Chartered Accounts, Mumbai as the Statutory Auditors and to authorize the Board of Directors, on the recommendation of the Audit committee, to determine the remuneration payable to the Auditors.

None of the Directors of the Company is concerned or interested in the said resolution.

Item No. 5

Mr. Paresh Pathak was appointed as Additional Director of the Company with effect from 14th February, 2012. According to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. A notice has been received from a member signifying his intention to propose the appointment of Mr. Paresh Pathak as Director at the forthcoming Annual General Meeting. Hence, necessary resolution is placed before the meeting for members' approval.

Mr. Paresh Pathak is deemed to be interested in the proposed resolution to the extent of their appointment as a Director. No other Director is interested in the Resolution. Directors recommend the resolution as proposed in the Notice for members' approval.

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

Item No. 6

The shareholders of the Company at the last Postal Ballot Meeting held on 17th February, 2012 has approved preferential allotment of issue and allotment of 85, 10,000 Equity Shares of ₹ 2/- each and 50,00,000 Fully Convertible Warrants on preferential basis After the approval of the Shareholders, the Company has made an application to the Stock Exchanges for grant of in-principle approval for allotment of Equity Shares. Company has furnished an undertaking to The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited as a condition for grant of in-principle approval to the Company, to seek shareholders ratification of the pre and post issue shareholding structure considering the issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each and 50,00,000 Fully Convertible Warrants on preferential basis

The Board of Directors at their Meeting held on 14th May, 2012 had allotted 85,10,000 Equity Shares of ₹.2/- each on preferential basis, which were allowed for trading over the National Stock Exchange of India Limited and Bombay Stock Exchange Limited and with effect from 10th July, 2012 & 30th July, 2012 respectively.

Accordingly ratification of the shareholders is solicited by passing a Special Resolution as detailed in Item No. 6 of the accompanying Notice.

The Board commends passing of the resolution set out at Item No. 6 of the accompanying Notice.

None of the Directors of the Company may be considered to be concerned or interested in passing of the Resolution.

Item No. 7

The shareholders of the Company at the last Postal Ballot Meeting held on 17th February, 2012 has approved preferential allotment of issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each and 50,00,000 Fully Convertible Warrants on preferential basis after the approval of the Shareholders, the Company has made an application to the Stock Exchanges for grant of in-principle approval for allotment of Equity Shares. Company has furnished an undertaking to The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited as a condition for grant of in-principle approval to the Company, to seek shareholders ratification of relevant date as 18th January, 2012 instead of 17th January, 2012 considering the issue and allotment of 85, 10,000 Equity Shares of ₹ 2/- each and 50, 00,000 Fully Convertible Warrants on preferential basis

The Board of Directors at their Meeting held on 14th May, 2012 had allotted 85,10,000 Equity Shares of ₹2/- each on preferential basis, which were allowed for trading over the National Stock Exchange of India Limited and Bombay Stock Exchange Limited and with effect from 10th July, 2012 & 30th July, 2012 respectively.

Accordingly ratification of the shareholders is solicited by passing a Special Resolution as detailed in Item No.7 of the accompanying Notice.

The Board commends passing of the resolution set out at Item No. 7 of the accompanying Notice.

None of the Directors of the Company may be considered to be concerned or interested in passing of the Resolution.

Item No. 8

The shareholders of the Company at the last Postal Ballot Meeting held on 17th February, 2012 has approved preferential allotment of issue and allotment of 85,10,000 Equity Shares of ₹ 2/- each and 50,00,000 Fully Convertible Warrants on preferential basis After the approval of the Shareholders, the Company has made an application to the Stock Exchanges for grant of in-principle approval for allotment of Equity Shares. Company has furnished an undertaking to The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited as a condition for grant of in-principle approval to the Company, to seek shareholders ratification of the pre and post shareholding pattern after allotment of warrants and conversion of warrants into Equity Shares.

The Board of Directors at their Meeting held on 14th May, 2012 had allotted 85,10,000 Equity Shares of ₹.2/- each on preferential basis, which were allowed for trading over the National Stock Exchange of India Limited and Bombay Stock Exchange Limited and with effect from 10th July, 2012 & 30th July, 2012 & respectively.

Accordingly ratification of the shareholders is solicited by passing a Special Resolution as detailed in Item No. 8 of the accompanying Notice.

The Board commends passing of the resolution set out at Item No. 8 of the accompanying Notice.

None of the Directors of the Company may be considered to be concerned or interested in passing of the Resolution.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai

Date : 24th November,2012

CHETAN KOTHARI

CHAIRMAN & MANAGING DIRECTOR

Reg off:

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

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(₹ In Lacs)

Particulars	Consolidated		Standalone	
	2012	2011	2012	2011
Total Income from Operations	13750.67	11314.36	8007.34	6797.82
Profit before Interest, Depreciation and Taxes	4349.40	4414.29	3467.29	3209.83
Interest	1813.27	1129.46	1520.98	916.23
Depreciation	944.02	813.51	535.62	543.59
Profit before Taxation	1592.11	2471.31	1410.69	1750.01
Provisions for Taxes	579.35	80.44	503.14	85.61
Exceptional Items	-	454.51	-	1581.96
Profit after Taxes	1012.76	1936.36	907.55	1496.35
Balance brought forward	7212.96	5419.36	6677.77	5334.64
Prior Period Income	0.74	10.46	-	-
Appropriations	-	153.21	-	153.21
General Reserves carried to Balance Sheet	8226.47	7212.96	7585.33	6677.77
Earnings per share	1.55	3.31	1.39	2.56

OPERATIONAL PERFORMANCE

During the year the consolidated income from operations was ₹.13750.67 Lacs as compared to income from operations of ₹ 11,314.36 Lacs during the previous financial year. The consolidated profit after tax was 1012.76 Lacs as compared to profit after tax of ₹1936.36 Lacs during the previous financial year.

The standalone total income from operations was ₹ 8007.34 Lacs as compared to total income from operations of ₹ 6797.82 Lacs during the previous financial year. The standalone profit after tax was ₹ 907.55 Lacs as compared to profit after tax of ₹ 1496.35 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. 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

With a view to conserve profits for the future, your Directors have not recommended any dividend for the year 2011-2012.

CONVERSION OF WARRANTS INTO EQUITY SHARES OF ₹ 2/- EACH

Your company had allotted 50,00,000 Equity shares of ₹ 2/- each against conversion of Fully Convertible warrants of ₹ 13.50 each.

The above shares on conversion were listed on Bombay Stock Exchange Limited ('BSE') on 30th October, 2012 and National Stock Exchange of India Limited ('NSE') on 12th October, 2012 and the same were permitted for trading over BSE from 6th November, 2012 and on NSE from 6th November, 2012.

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 Directors Report.

FIXED DEPOSITS

Total amount of deposits outstanding as on March 31, 2012 was ₹ 5,22,56,000. There were ₹ 1,00,000 unclaimed deposits as on March 31, 2012.

AUDITORS REPORT

Qualification mentioned in para 'f' of the auditors' report regarding non compliance of Section 205(1A) of the Companies Act, 1956. Due to the liquidity crunch faced by the company, there has been a delay in payment of dividend to some shareholders which is being paid in the current financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
2. 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;
3. 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;
4. That the annual accounts have been prepared on a going concern basis.

SUBSIDIARY COMPANIES

As on 31st March, 2012, the Company has the following subsidiaries:

Domestic subsidiaries

1. Tricom I.T Services Private Limited (formerly known as Mastiff Internet Media Solutions 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 Infotech Solutions, Inc., USA
4. Tricom Infotech Solutions (Cyprus) Limited,
5. Tricom Data Services Inc., USA
6. Tricom Litigation Coding Services, Inc., USA
7. Tricom Software Services Inc., USA
8. Grand Imaging & Technology Inc., USA
9. Tricom Search Services Inc., USA

PARTICULARS IN TERMS OF SECTION 212 OF THE COMPANIES ACT

In terms of general exemption been granted to companies vide General Circular No.2 and 3 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, Statement of Profit and Loss, 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 March 31, 2012, 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. Jayant Tanksale and Mr. Baldev Boolani Directors of the Company will retire by rotation at the forthcoming 20th Annual General Meeting and being eligible, offer themselves for re-appointment.

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 and further his designation has been changed from Executive Director- Operations to Non-Executive Director w.e.f. 14th February, 2012.

Further, Mr. Anil Bakshi, Director has resigned w.e.f. 14th May, 2011, Mr. Hariom Tulsyan, Director has resigned w.e.f. 6th January, 2012, Mr. Gaurav Bhatia and Mr. Gautam Berry, Directors have resigned w.e.f. 14th May, 2012, Mr. Vijay Bhatia has resigned w.e.f. 4th September, 2012 and Mr. Hiren Kothari has resigned w.e.f. 31st October, 2012 . The Board places on record its appreciation for the valuable services rendered by all the directors during their tenure.

Further Mr. Paresh Pathak appointed as additional Director on 14th February, 2012 has now been regularized as a Director of the company in ensuing Annual General Meeting.

AUDITORS

The Company has received a letter dated November 20,2012 from the Auditors of the Company M/s. J. L. Bhatt & Co., Chartered Accountants, Mumbai expressing their inability to be reappointed as the statutory Auditors of the Company, w.e.f. the conclusion of the ensuing Annual General Meeting of the Company, on account of his preoccupation of professional assignment.

The Company has received a special notice from a member of the Company, in terms of the provisions of the Act, signifying his intension to propose the appointment of M/s Koshal & Associates, Chartered Accountants, Mumbai as the Statutory Auditors of the Company for the Financial Year 2012- 2013. As required the said auditors have forwarded certificates to the Company stating that the appointment, if made, will be within the limits specified under the provisions of Section 224 (1B) of the Companies Act, 1956. Further they have confirmed that they are not disqualified to be appointed as the auditors under section 226 of the Companies Act, 1956.

Therefore, the Board of Directors on the recommendations of the Audit Committee have, at its meeting held on November 24, 2012 proposed the appointment of M/s Koshal & Associates, Chartered Accountants, Mumbai as the Statutory Auditors of the Company for the Financial Year 2012- 2013.

The said resolution is being placed before the members at the ensuing Annual General Meeting for their approval.

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 ₹ 5899.58 Lacs. The foreign exchange outflow during the year was ₹ 1895.66 Lacs

HUMAN RESOURCES

Your Company regards human capital as the most valuable asset. At the end of March, 2012, your Company had approx 1297 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

Place : Mumbai
Date : 24th November, 2012

CHETAN KOTHARI
CHAIRMAN & MANAGING DIRECTOR

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 AND ANALYSIS REPORT

Economic Environment & Industry Outlook

In the face of widespread macroeconomic instability and a volatile financial scenario during 2011, worldwide IT spending exceeded USD 1.7 trillion, recording a steady annual growth of 5.4%. Software products, IT and BPO services continued to lead, accounting for over USD 1 trillion – 63% of the total spend. In 2011, Global IT services spend grew to USD 605 billion, an annual growth of 3.2%, a marginal decline from 3.4% recorded in 2010. The year saw global sourcing grow twice as fast as global technology spend at 12% suggesting a steady widening of the boundaries of outsourcing.

IMF in its World Economic Outlook update of April 2012 projects global growth to drop from about 4 percent in 2011 to about 3½ percent in 2012 because of weak activity witnessed during the second half of 2011 and the first half of 2012. The euro area is still projected to go into a mild recession in 2012 as a result of the sovereign debt crisis and a general loss of confidence, the effects of bank deleveraging on the real economy, and the impact of fiscal consolidation in response to market pressures. The outlook further states that because of the problems in Europe, activity will continue to disappoint for the advanced economies as a group, expanding by only about 1½ percent in 2012 and by 2 percent in 2013.

When we look at India, our GDP rose 6.5% in FY 12. This is the lowest growth rate since 2002-03 when it fell to 4% in the wake of a global slowdown. It is also a sharp slowdown from the previous fiscal's 8.4%. GDP growth forecast was revised downwards for FY 13 to 6.6% from 7.2%, largely due to a weaker investment outlook in part driven by domestic policy uncertainties and more back-ended and lesser monetary policy easing, and in part by prevailing global uncertainties.

NASSCOM predicts slow growth for India IT-BPO Industry in FY 2012-2013 with growth rate of around 11 - 14% with revenues of around US\$ 115 billion in FY 2012-13 compared to revenues of around US\$ 101 billion for FY 2011-12. The year 2012 will be a landmark year as it is for the first time India IT-BPO revenues will cross US\$100 billion mark. In FY 13, the IT and BPO export revenues is expected to grow at 11-14% (US\$78 billion), while the domestic revenues are slated to grow by 13-16 % (US\$37 billion) and reach a total of US\$115 billion. Growth will primarily be driven by new business models and disruptive technologies like such as cloud, mobility, analytics, social media, and vertical specific solutions. NASSCOM expects a 4.5% growth in the Global Technology spending in 2012 and further predicts that industry can meet the vision 2020 target of touching \$225 billion by 2020.

Infrastructure Management Outsourcing has consistently been the fastest growing segment within IT services – an average of nearly 19 per cent over the last five years. As a result, its share in the overall IT segment has increased from about 15 per cent in FY 2008 to about 17 per cent in FY 2012 according to NASSCOM.

Over the years, this segment has been driven by various factors beginning with improvements in the country's infrastructure backbone, availability of low-cost, high speed bandwidth, cost reduction, move to asset light models, development of remote management tools etc.

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.

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

Competition from large players

Major IT players in India are involved in delivery of software solutions, maintenance services 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 ₹ 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 (₹ 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, Tricom (India), the total number of employees are 2700.

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.

CORPORATE GOVERNANCE REPORT**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 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. Upto March 31, 2012, the Board comprises of 11 Directors whose composition is given below:

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

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

- ~ Excludes Alternate Directorships, Directorship in Indian Private Limited Companies and Foreign Companies and Membership of Managing Committees of various bodies.
- * Ceases to be a Director w. e. f. 14th May, 2011.
- ** Ceases to be a Director w. e. f. 6th January, 2012.
- *** Ceases to be a Director w.e.f. 14th May, 2012.
- **** Ceases to be a Director w.e.f. 4th September, 2012.
- ***** Ceases to be a Director w.e.f. 31st October, 2012.
- # Re-appointed as Executive Director-Operations and his designation has been changes from 14th February, 2012.
- ## Appointed as Additional Director on 14th February, 2012.

b. Details of Meetings Held:

During the financial year 2011-2012 4 (Four) Board Meetings were held viz 14th May 2011. 12th August 2011, 14th November, 2011, 14th February 2012. The 19th Annual General Meeting (AGM) was held on 31st December, 2011. The attendances of the Directors as required by the Listing Agreement at these meetings are given below:

Name of the Director	Designation	Attendance in Board Meetings during 2011-2012	Presence in last Annual General Meeting
Mr. Chetan Kothari	Managing Director	4	Yes
Mr. Baldev Boolani	Director	4	Yes
Mr. Jayant Tanksale#	Executive Director-Operations	2	Yes
Mr. Hiren Kothari*****	Director	4	Yes
Mr. Gaurav Bhatia***	Director	2	No
Mr. Anil Bakshi*	Director	0	No
Mr. Gautam Berry***	Director	1	No
Mr. Vijay Bhatia****	Director	2	No
Mr. Hariom Tulsyan**	Director	0	No
Mr. Rasik Chaturvedi	Director	0	No
Mr. Paresh Pathak ##	Additional Director	0	No

- * Ceases to be a Director w. e. f. 14th May, 2011.
- ** Ceases to be a Director w. e. f. 6th January, 2012.
- *** Ceases to be a Director w.e.f. 14th May, 2012.
- **** Ceases to be a Director w.e.f. 4th September, 2012.
- ***** Ceases to be a Director w.e.f. 31st October, 2012.
- # Re-appointed as Executive Director-Operations and his designation has been changes from 14th February, 2012.
- ## Appointed as Additional Director on 14th February, 2012.

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 March 31, 2012 Audit Committee comprises of Three Directors, all of whom are Non Executive and Independent Directors except one Director who is Promoter and Executive Director. All the Directors possess knowledge of corporate finance, accounts and company law. An Independent, Non Executive Director acts as Chairman of the Committee Meetings. The Statutory Auditors are also invited to the meetings. The quorum of the Audit Committee is two members. The Company Secretary acts as Secretary to the Committee.

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

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, four Audit Committee meetings were held viz; 14th May 2011, 12th August 2011, 14th November 2011 and 14th February 2012.

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, 2012.

3. REMUNERATION COMMITTEE**a. Composition:**

As on March 31, 2012 Remuneration Committee comprises of Three (3) 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 meeting's 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 March 31, 2012:

Non Executive Directors were paid sitting fees of ₹ 5,000/- for every Board Meeting and ₹ 5000/- for every Audit Committee attended by them. The Members of the Company have approved payment of remuneration of a sum up to 1% of the Net Profits of the Company calculated as per Section 349 & 350 of the Companies Act, 1956 to the Non-Executive Directors vide resolution on 25th September, 2006.

e. Remuneration to the Executive Directors for the year ended March 31, 2012:

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 (₹)	No. of Options Granted	No. of Options Exercised	No. of Options Pending
Mr. Chetan Kothari	Managing Director	30,00,000	Nil	Nil	Nil

Period of Contract:

Managing Director - Three 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 March 31, 2012:

The details of shares held by Non Executive Directors as on 31st March, 2012 are given below:

Name of the Director	No. of Equity Shares held as on 31 st March, 2012.
Mr. Baldev Boolani	50,000
Mr. Gautam Berry	Nil
Mr. Vijay Bhatia	8,20,000
Mr. Hiren Kothari	22,33,060
Mr. Anil Bakshi	54,500
Mr. Jayant Tanksale	750
Mr. Rasik Chaturvedi	Nil
Mr. Gaurav Bhatia	90,977
Mr. Hariom Tulsyan	Nil
Mr. Paresh Pathak	23,510

4. SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' & Investors' Grievance Committee of the Company as on March 31, 2012 comprises of Three (3) members chaired by Mr. Baldev Boolani Independent, Non Executive Director and Mr. G. T. Shenoy, Company Secretary and 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, Ministry of Corporate Affairs.

a. Composition:

As on March 31, 2012 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**

20th Annual General Meeting of the company will be held on 31st December, 2012, 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 2012-2013 (Tentative and subject to changes) :

For the year ending 31st March 2013, quarterly un-audited/annual audited results shall be announced by:

For the quarter ending 30th June, 2012	: 14th August, 2012.
For the quarter ending 30th September, 2012	: 14th November, 2012.
For the quarter ending 31st December, 2012	: 14th February, 2013.
For the quarter ending 31st March, 2013	: 30th May, 2013 (Audited).

c. Book Closure:

The dates of Book Closure are from 26th December, 2012 to 31st December, 2012 (both days Inclusive).

d. Listing on Stock Exchanges:

The Equity shares of the Company are presently listed at Bombay Stock Exchange Limited, National Stock Exchange Limited, Luxembourg Stock Exchange and Ahmedabad Stock Exchange Limited. The Company is in process for delisting at the Ahmedabad Stock Exchange all the formalities pertaining to the delisting have been already compiled with and the approval for the same is awaited.

e. Stock Code:

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

ISIN number: INE771B01032.

f. 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 Resolutions passed
2010-2011	19 th	School Hall, Damodar Hall Educational Campus, Dr. Ambedkar Marg, Parel Naka, Mumbai – 400 012	31 st December, 2011	11.00 A.M.	01
2009-10	18 th	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012	30 th September, 2010.	11.00 A.M.	06
2008-09	17 th	Damodar Thakarsi Mulji Hall, Dr. Ambedkar Marg, Parel Naka, Mumbai 400 012	30 th September, 2009.	11.00 A.M.	02

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

ii No Extra Ordinary General Meetings were held during year.

g. Shares in Physical / Demat form as on 31st March, 2012:

Particulars	No. of Shares Held	% of Shares Held
Physical Form	366300	0.56
Demat Form	65329150	99.44
Total	65695450	100.00

h. Market Price Data:

Monthly high and low quotations as well as volume of shares traded at Bombay Stock Exchange Limited (BSE), National Stock Exchange Limited (NSE) compared to BSE SENSEX during the financial year 2011-2012 were:

	BSE		NSE		SENSEX		GDR(USD)	
	High	Low	High	Low	High	Low	High	Low
	(₹)	(₹)	(₹)	(₹)				
Apr'11	19.10	15.25	19.40	15.30	19811.14	18976.19	0.85	0.69
May'11	18.50	13.70	18.50	14.50	19253.87	17786.13	0.83	0.69
Jun'11	16.45	14.80	16.30	14.25	18873.39	17314.38	0.71	0.66
Jul'11	15.75	13.90	15.70	13.90	19131.70	18131.86	0.69	0.63
Aug'11	14.59	12.00	14.95	12.05	18440.07	15765.53	0.65	0.55
Sep'11	13.40	11.30	13.40	11.30	17211.80	15801.01	0.58	0.47
Oct'11	12.65	10.90	12.15	9.70	17908.13	15745.43	0.49	0.45
Nov'11	12.95	10.35	13.00	10.10	17702.26	15478.69	0.46	0.42
Dec'11	13.20	11.00	13.50	11.00	17003.71	15135.86	0.51	0.43
Jan'12	12.90	11.00	13.75	10.00	17258.97	15358.02	0.48	0.44
Feb'12	16.57	11.45	16.00	11.35	18523.78	17061.55	0.57	0.47
Mar'12	13.90	10.30	14.00	10.30	18040.69	16920.61	0.54	0.42

i Distribution of Shareholding as on 31st March, 2012:

No. of Shares	As on 31st March 2012			
	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 100	1357	22.32	80672	0.12
101 to 200	602	9.90	107050	0.16
201 to 500	1497	24.62	617609	0.94
501 to 1000	1012	16.64	915502	1.39
1001 to 5000	1003	16.50	2579826	3.93
5001 to 10000	214	3.52	1646661	2.51
10001 to 100000	327	5.38	11736010	17.86
100001 to above	68	1.12	48012120	73.08
TOTAL	6080	100.00	65695450	100.00

j. Share Transfer Procedure:

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

k. Registrar and Transfer Agents:

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

l. Means of Communication:

Information like quarterly results and press releases on significant developments in the Company is 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).

m. 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:

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 and the GM-Finance have issued a certificate to the Board, for the year ended March 31, 2012.

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 2011-2012".

Chetan Kothari
Chairman and Managing Director

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

The Company has 59,50,000 Global Depository Receipts (GDRs) outstanding as on 31st March, 2012. Each GDR represents one underlying share in the Company. GDR is not a specific time bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company.

n. 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:

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

Registered Office of the Company

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

Tel: (91-22) 6690 7800, 28523437, 28561756

Fax: 66907810; Website: www.tricominfo.com

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

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, 2012, as stipulated in Clause-49 of the Listing Agreement executed by the Company with the Stock Exchanges.

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

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

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

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

For **J.L.Bhatt & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No.: 101332W

YOGESH J. BHATT
Partner
Membership No.: 30170

Place: Mumbai
Date : 16th October, 2012

AUDITORS' REPORT

To,
The Members,
Tricom India Limited,

1. We have audited the attached Balance Sheet of **TRICOM INDIA LIMITED**, as at 31st March, 2012 and the related Statement of Profit and Loss for the year ended on that date, annexed thereto and Cash Flow statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the annexure a statements on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those Books.
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in the agreement with the books of accounts.
 - d) In our opinion, the Statement of Profit and Loss 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 31st March, 2012 and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on 31st March, 2012 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 subject to **note no. 3.12 regarding non-compliance of Section 205(1A) of the Companies Act, 1956** 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, 2012;
 - ii) in the case of the Statement of Profit and Loss of the Profit of the Company for the year ended on that date and
 - ii) 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
Firm Reg. No.: 101332W

YOGESH J. BHATT
Partner
Membership No.: 30170

Place : Mumbai
Date : 16th October, 2012

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 31ST MARCH, 2012:

- 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 31st March, 2012 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 to/taken from Companies, firms and other parties 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 have granted unsecured loans aggregating to ₹ 1217.43 Lacs (including ₹ 97.70 Lacs granted during the year) to its four wholly owned subsidiary Companies repayable on demand. At the year end the loans granted to them aggregates to ₹ 149.45 Lacs. The maximum amount outstanding during the year was ₹ 1217.43 Lacs.

(ii) The Company has granted unsecured loan to one other party also, aggregating to ₹ 13.57 Lacs (₹ NIL granted during the year). At the year end the balance outstanding is ₹ NIL.

(b) The rate of interest, where applicable, and other terms and conditions are not *prima facie* 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 interest free unsecured loans from five parties and interest bearing loans from three parties listed in the register maintained under Section 301 of the Companies Act, 1956 aggregating to ₹ 325.53 Lacs received during the year of which ₹ Nil is outstanding at the year end. The maximum amount outstanding at any time during the year was ₹ 325.53 Lacs.

(b) The Company is maintaining current account with one other party and the year end balance as per the books of accounts is ₹ NIL.

(c) 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.

(d) 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 transactions made in pursuance of contract or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 58 A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public.
- 7) In our opinion, the internal audit functions carried during the year, by a firm of Chartered Accountants appointed by the management, have been commensurate with the size of the Company and nature of its business.
- 8) According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing and mining activities. Hence provisions of section 209(1)(d) do not apply to the Company.
- 9) (a) In respect of Statutory dues, according to the records of the Company, the Company is generally depositing with some delay with appropriate authorities undisputed statutory dues including, investor education protection fund, 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, Employee State Insurance, Tax under Income-tax Act, 1961, Wealth tax, Custom duty, Excise duty, cess and other statutory dues with the appropriate authorities except, ₹ 701.86 Lacs under Tax under Income-Tax Act, 1961 (₹ 14.89 Lacs since paid), ESIC of ₹ 37.15 Lacs and provident fund of ₹ 43.71 Lacs (₹ 20.83 Lacs since paid), Maharashtra Labour Welfare Fund of ₹ 0.89 Lacs, Value Added Tax of ₹ 16.50 Lacs and Professional tax of ₹ 36.51 Lacs were outstanding, as at 31st March, 2012 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 as under. The Company has filed appeal against the disputed income tax.

Forum where Dispute is pending	Assessment year	Disputed Amount (₹ In Lacs)
Mumbai High Court	2006-2007	28.25
Income Tax Appellate Tribunal -Mumbai	2007-2008	157.70
Commissioner of Income Tax (Appeals)	2008-2009	183.38
Total		369.33

- 10) The Company has neither accumulated losses as at 31st March, 2012 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 except as stated in note no.2.3 (b).
- 12) Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- 14) As per the records of the Company and information and explanations given to us by the management, Company is not dealing or trading in shares, securities, and debentures and other investments.
- 15) According to the information and explanation given to us the Company has given guarantee for loans taken by its subsidiary Company from banks or financial institutions. The terms of such guarantees are not prejudicial to the interest of the Company.
- 16) The term loans have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us, and on an overall examinations of the balance sheet of the Company we report that no funds raised on short-term basis have been prima-facie used for long-term investment. No long term funds have been used to finance short term assets.
- 18) 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 allotted 60,45,000 15% fully convertible debentures of ₹ 20/- each fully paid up amounting to ₹ 1209.00 Lacs including premium of ₹ 1088.10 Lacs.
- 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 ACCOUNTANTS
Firm Reg. No.: 101332W

YOGESH J. BHATT
Partner
Membership No.: 30170

Place: Mumbai
Date: 16th October, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	Amount (₹)	
		As at 31 March, 2012	As at 31 March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	13,13,90,900	11,93,00,900
(b) Reserves and Surplus	2.2	1,15,75,94,061	95,80,28,913
(c) Money received against share warrants	2.1.c	6,75,00,000	-
(2) Share Application money pending allotment	2.1.b	11,48,85,000	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	17,60,80,797	18,44,00,674
(b) Deferred Tax Liabilities (Net)	2.4	99,29,945	1,38,70,942
(c) Long Term Provisions	2.5	45,79,258	42,98,973
(4) Current Liabilities			
(a) Short-Term Borrowings	2.6	45,01,23,900	40,42,17,099
(b) Trade Payables	2.7	84,50,860	1,19,85,141
(c) Other Current Liabilities	2.8	13,90,92,789	19,54,60,350
(d) Short-Term Provisions	2.9	1,47,00,026	3,21,74,512
Total Equity & Liabilities		2,27,43,27,536	1,92,37,37,504
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.10		
(i) Tangible assets		8,08,23,000	10,33,56,472
(ii) Intangible assets		15,72,19,042	11,62,80,765
(b) Non-current investments	2.11	92,89,54,066	79,27,61,937
(c) Long term loans and advances	2.12	3,64,50,033	5,28,41,047
(d) Other non-current assets	2.13	30,58,045	71,96,320
(2) Current Assets			
(a) Inventories	2.14	23,57,81,862	18,24,31,425
(b) Trade receivables	2.15	62,13,28,245	29,61,86,045
(c) Cash and cash equivalents	2.16	37,75,842	4,51,84,889
(d) Short-term loans and advances	2.17	20,62,32,221	32,67,93,423
(e) Other current assets	2.18	7,05,180	7,05,180
Total Assets		2,27,43,27,536	1,92,37,37,504
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES TO ACCOUNTS	3		

Notes referred to above and notes attached there to form an integral part of Balance Sheet

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

 FOR **J. L. BHATT & Co.**
 CHARTERED ACCOUNTANTS
 Firm Reg. No.: 101332W

CHETAN KOTHARI
 MANAGING DIRECTOR

PARESH PATHAK
 DIRECTOR

YOGESH J. BHATT
 Partner
 Membership No. : 30170
 Place : Mumbai
 Date : 16th October, 2012

G. T. SHENOY
 COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

PARTICULARS	Note No.	Amount (₹)	
		For the year ended 31 March, 2012	For the year ended 31 March, 2011
I Revenue from Operations	2.19	80,07,33,912	67,97,81,588
II Other Income	2.20	7,52,43,504	2,09,581
Total Revenue		87,59,77,416	67,99,91,169
III Expenses:			
Purchase of Stock-In-Trade		13,76,30,862	18,14,08,925
Changes in inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	2.21	(5,33,50,437)	(17,71,66,425)
Employee Benefits Expense	2.22	22,47,81,636	18,61,23,156
Finance Costs	2.23	15,20,97,780	9,16,22,876
Depreciation and Amortization Expense	2.10	5,35,61,766	5,43,59,260
Other Administrative Expenses	2.24	22,01,86,458	16,86,42,147
Total Expenses		73,49,08,065	50,49,89,939
IV Profit before exceptional and extraordinary items and tax		14,10,69,351	17,50,01,230
V Exceptional Items			
Preoperative Expenses written off		-	(1,20,35,542)
Amortisation of Foreign Currency Monetary Item Translation Difference		-	(47,70,010)
VI Profit before extraordinary items and tax		14,10,69,351	15,81,95,678
VII Extraordinary Items		-	-
VIII Profit before tax		14,10,69,351	15,81,95,678
IX Tax expenses:			
(1) Current Tax		5,42,55,200	3,15,29,200
(2) (Less): MAT credit		-	(3,15,29,200)
(3) Deferred Tax		(39,40,997)	85,60,937
X Profit for the year		9,07,55,148	14,96,34,741
XI Earning per equity share (face value ₹ 2/-)			
(1) Basic		1.39	2.56
(2) Diluted		1.15	2.32
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES TO ACCOUNTS	3		

Notes referred to above and notes attached there to form an integral part of Statement of Profit and Loss

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J. L. BHATT & Co.
 CHARTERED ACCOUNTANTS
 Firm Reg. No.: 101332W

CHETAN KOTHARI
 MANAGING DIRECTOR

PARESH PATHAK
 DIRECTOR

YOGESH J. BHATT
 Partner
 Membership No. : 30170

G. T. SHENOY
 COMPANY SECRETARY

Place : Mumbai
 Date : 16th October, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012
(₹ in Lacs)

PARTICULARS	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A - Cash flow from operating activities		
Profit Before Tax	1,410.69	1,629.66
Adjustment for:		
Depreciation	535.62	543.59
Interest expenses	1,925.79	1,614.52
Interest Received	(404.82)	(698.29)
Forex fluctuation	-	(19.73)
Miscellaneous Expenses written off	7.05	7.05
Loss on Sale of Fixed Assets	3.77	-
Assets written-off	98.71	-
Operating Profit before Working capital changes	<u>3,576.82</u>	<u>3,076.80</u>
Adjustment for:		
Inventory	(533.50)	(1,771.66)
Trade and other receivable	(3,082.72)	213.57
Trade and other payables	330.82	492.72
Cash generated from Operating activities	<u>291.41</u>	<u>2,011.43</u>
Direct Taxes (paid) / refund	(366.60)	(629.70)
Operating Cash flow before prior period item	<u>(75.19)</u>	<u>1,381.72</u>
Prior period income / (expenses)	-	-
Net cash from operating activities	<u>(75.19)</u>	<u>1,381.72</u>
B - Cash Flow from investing activities		
Purchase/Sale of Fixed Assets (net)	(692.23)	(67.34)
Purchase of Investments	(1,361.83)	(1,415.83)
Interest received	404.82	698.29
Inter Corporate Deposit placed	929.20	346.99
Net cash used in investing activities	<u>(720.04)</u>	<u>(437.88)</u>
C - Cash Flow from financing activities		
Proceeds of borrowings	1,632.15	1,875.21
Repayment of borrowings	(2,311.59)	(1,317.40)
Interest paid	(1,925.79)	(1,614.52)
Dividend Paid	(46.47)	(140.16)
Dividend Tax paid	-	(23.82)
Proceeds from Issue of Share Capital	1,209.00	250.00
Share Application	1,823.85	-
Net Cash from financing activities	<u>381.15</u>	<u>(970.70)</u>
Net Increase/Decrease in Cash and cash equivalents (A+B+C)	(414.09)	(26.86)
Cash and cash equivalents at the beginning of the year	<u>451.85</u>	<u>478.71</u>
Cash and cash equivalents at the end of the year	<u>37.76</u>	<u>451.85</u>

Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

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, 2012 and found the same in agreement therewith.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR **J. L. BHATT & Co.**
 CHARTERED ACCOUNTANTS
 Firm Reg. No.: 101332W

CHETAN KOTHARI
 MANAGING DIRECTOR

PARESH PATHAK
 DIRECTOR

YOGESH J. BHATT
 Partner
 Membership No. : 30170
 Place : Mumbai
 Date : 16th October, 2012

G. T. SHENOY
 COMPANY SECRETARY

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012**1- SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of preparation of Financial Statements:**

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.

1.2 Presentation and disclosure of financial statements

During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

1.3 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.

1.4 Revenue Recognition

Revenue from services is recognized based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognized on periodical basis based on units executed and delivered.

Revenue from sale of software is recognized on delivery and transfer of ownership of the software to the clients.

Revenue from sale of software 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.

Other Income: Interest Income is accounted on accrual basis. Dividend income is accounted for when right to receive is established.

1.5 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 ₹ 5,000/-) are entirely depreciated in the year of acquisition.

1.6 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.

1.7 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 Statement of Profit and Loss.

1.8 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 yearend 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.

1.9 Income Tax

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 after complying with the various provisions of the Act.

Provision for deferred tax is made using the applicable rate of taxation, for all timing differences which arise during the year and are reversed in subsequent periods.

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.

1.10 Inventory:

Work in Progress is valued at cost. Traded goods are valued at lower of cost or net realizable value.

1.11 Software:

The Company has internally generated software for its captive use for the various long term projects received. 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. The amortization period would be the project period or three equal yearly installments whichever is less.

1.12 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.

1.13 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. Contingent Liabilities are not recognized but are disclosed in the notes (Refer note 3.1).

1.14 Leases:

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

1.15 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.

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

Notes Forming Integral Part of the Balance Sheet as at 31st March 2012
Note : 2.1 Share Capital

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
I AUTHORISED CAPITAL				
1 Equity Shares of ₹ 2/- each.	8,75,00,000	17,50,00,000	8,75,00,000	17,50,00,000
2 Preference Shares of ₹ 100/- each.	2,50,000	2,50,00,000	2,50,000	2,50,00,000
	8,77,50,000	20,00,00,000	8,77,50,000	20,00,00,000
II ISSUED , SUBSCRIBED & PAID UP CAPITAL				
Equity Shares of ₹ 2/- each.	6,56,95,450	13,13,90,900	5,96,50,450	11,93,00,900
TOTAL	6,56,95,450	13,13,90,900	5,96,50,450	11,93,00,900

a - Rights of the Shareholders:

1- The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

2 - In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Equity Shares				
Shares outstanding at the beginning of the year	5,96,50,450	11,93,00,900	5,84,00,450	11,68,00,900
Shares issued during the year/period	60,45,000	1,20,90,000	12,50,000	25,00,000
Shares outstanding at the end of the year	6,56,95,450	13,13,90,900	5,96,50,450	11,93,00,900

The company had issued and allotted 60,45,000 15% Fully convertible debentures of ₹ 20/- each. These debentures were subsequently converted into 60,45,000 equity shares of ₹ 2/- each at a premium of ₹ 18/- each per share on 16th April 2011.

The company had issued 12,50,000 Equity shares of ₹ 2/- each on preferential basis as consideration for acquisition of the entire shareholding of Mastiff Tech Pvt. Ltd. and Mastiff Internet Media Solutions Pvt. Ltd. during the previous year.

b - Share application money:

As at 31 March 2012, the Company has received an amount of ₹ 11,48,85,000/- towards share application money towards 85,10,000 equity shares of ₹ 2/- each at a premium of ₹ 11.50 per equity share. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company has allotted these shares on 14th May, 2012. The Company has sufficient authorised capital to cover the allotment of these shares.

c - Monies received against share warrants:

The Board of Directors of the Company at their meeting held on 9th January, 2012 and as approved at its Meeting held on 17th February, 2012 have resolved to create, offer, issue and allot up to 50,00,000 warrants, convertible into 50,00,000 equity shares of ₹ 2/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 13.50 per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 14th May, 2012. The warrants have been converted into equivalent number of shares on 14th August, 2012.

PARTICULARS	Amount (₹)	
	As at 31 March, 2012	As at 31 March, 2011
Note : 2.2 Reserved and Surplus		
1 Capital Reserve		
Opening balance	31,995	31,995
Additions during the year	-	-
Closing balance	<u>31,995</u>	<u>31,995</u>
2 Securities Premium Reserve		
Opening balance	24,27,68,130	22,02,68,130
Add: Amount received on preferential issue of Equity Shares	-	2,25,00,000
Add: Amount arising on conversion of Fully Convertible Debentures to Equity shares	<u>10,88,10,000</u>	-
Closing balance	<u>35,15,78,130</u>	<u>24,27,68,130</u>
3 General Reserve		
Opening balance	4,74,51,296	4,74,51,296
Add: For the year	-	-
Closing balance	<u>4,74,51,296</u>	<u>4,74,51,296</u>
4 Surplus in the Statement of Profit and Loss		
Opening balance	66,77,77,492	53,34,64,080
Add: Profit for the year	9,07,55,148	14,96,34,741
Less: Proposed Dividend on Equity Shares	-	(1,31,39,090)
Dividend Distribution tax	-	(21,82,239)
Closing balance	<u>75,85,32,640</u>	<u>66,77,77,492</u>
TOTAL	<u><u>1,15,75,94,061</u></u>	<u><u>95,80,28,913</u></u>

Note : 2.3 Long Term Borrowings**Secured (refer note a & b below)**

1 Term Loans		
- From Banks		
Indian Rupee Loan	12,50,76,981	4,62,22,320
External Commercial Borrowing	-	8,37,18,750
2 Vehicle Loans from Banks & FIs	31,35,137	49,42,604
3 Public Deposits (Unsecured)		
Others	4,61,85,000	4,95,17,000
4 Inter-corporate Deposits - Unsecured	16,83,679	-
TOTAL	<u><u>17,60,80,797</u></u>	<u><u>18,44,00,674</u></u>

a - Security for Long Term - Secured Loans

- (i) Loan 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.
- (ii) Vehicle Loans from Banks are secured against the specific vehicle financed by respective banks.

b - Details of terms of repayment for the long-term borrowings :

PARTICULARS	Terms of repayment	As at 31 March, 2012		As at 31 March, 2011	
		Long Term	Current Maturity	Long Term	Current Maturity
Term loans from banks:	Capital Repayment				
Bank 1 - Term Loan 1	Repayable in 33 monthly installments starting from Jan 2010 and repayable by Sep 2013. (15 installments of ₹ 0.2733 crores payable on monthly basis upto March 2011 and 18 installments of ₹ 0.6058 crores payable from April 2011 to Sep 2013). The Company has defaulted in paying the installments for the month of Feb & Mar 2012 upto 31.03.2012 (since paid) and for the period Jan 2011 to Mar 2011 in the previous year upto 31.03.2011 (since paid).	-	4,83,82,602	3,63,09,000	8,06,84,727
Bank 1 - Term Loan 2	Repayable in 60 monthly installments of ₹ 0.0416 crores each commencing from April 2009 and repayable by March 2014. The Company has defaulted in paying the installment for the month of Mar 2012 in the current year upto 31.03.2012 (since paid)	49,12,920	55,56,319	99,13,320	51,83,125
Bank 1 - Term Loan 3	Repayable in 36 monthly installments of ₹ 0.23 crores each commencing from May 2009 and repayable by Jan 2012. The Company has defaulted in paying the installments for the month of Feb & Mar 2011 in the previous year upto 31.03.2011 (since paid).	-	-	-	2,70,44,136
Bank 2 - Term Loan 4	Repayable in 48 monthly installments of ₹ 0.2670 crores each commencing from Jan 2013 and repayable by Dec 2016.	12,01,64,061	80,10,939	-	-
Bank 2 - Term Loan 5	Repayable in 8 equal semi-annual installments from Nov 2009 to May 2013.	-	-	8,37,18,750	5,58,12,500
Vehicle loans from banks:					
Loan 1	Repayable monthly in 36 installments from Apr 11 to Mar 14	3,45,505	3,42,768	-	-
Loan 2	Repayable monthly in 36 installments from Apr 11 to Mar 14	15,656	19,977	35,633	24,128
Loan 3	Repayable monthly in 36 installments from Apr 11 to Mar 14	34,525	44,040	78,565	53,196
Loan 4	Repayable monthly in 36 installments from Apr 11 to Mar 14	43,238	55,141	98,379	66,614
Loan 5	Repayable monthly in 36 installments from Apr 11 to Mar 14	28,301	36,087	64,388	43,596
Loan 6	Repayable monthly in 36 installments from Apr 11 to Mar 14	41,587	53,052	94,639	64,078
Loan 7	Repayable monthly in 36 installments from Apr 11 to Mar 14	42,025	53,605	95,630	64,748
Loan 8	Repayable monthly in 36 installments from Apr 11 to Mar 14	1,61,438	1,84,437	3,45,875	2,19,125
Loan 9	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	2,03,641	2,03,641	2,89,662
Loan 10	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	90,506	90,506	1,28,740
Loan 11	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	2,14,696	2,14,696	3,04,837
Loan 12	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	1,35,700	1,35,700	1,92,893
Loan 13	Repayable monthly in 36 installments from Mar 10 to Feb 13	-	86,855	86,855	1,15,280
Loan 14	Repayable monthly in 36 installments from Mar 10 to Feb 13	-	86,855	86,855	1,15,280
Loan 15	Repayable monthly in 60 installments from Apr 11 to Mar 16	7,45,093	2,03,365	9,48,458	1,81,386
Loan 16	Repayable monthly in 60 installments from Nov 10 to Sep 14	4,80,440	1,62,700	6,43,140	1,48,097
Loan 17	Repayable monthly in 60 installments from Sep 10 to Jul 15	6,66,964	2,49,324	9,16,288	2,28,637
Loan 18	Repayable monthly in 60 installments from Feb 10 to Dec 14	5,30,365	2,72,991	8,03,356	2,50,676
Loan 19	Repayable monthly in 36 installments from Mar 09 to Jan 12	-	-	-	2,18,536

PARTICULARS	As at March 31, 2012	Amount (₹) As at March 31, 2011
Note : 2.4 Deferred Tax Liability(Net)		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting.	99,29,945	1,38,70,942
TOTAL	99,29,945	1,38,70,942
Note : 2.5 Long Term Provisions		
Provision for Employee Benefits		
Gratuity Provision	45,79,258	42,98,973
TOTAL	45,79,258	42,98,973
Note : 2.6 Short Term Borrowings		
I Unsecured		
60,45,000 15% Fully Convertible Debentures of ₹ 20/-each	-	12,09,00,000
Fixed Deposits	56,71,000	9,94,000
Inter-corporate Deposits	16,99,02,790	17,29,79,366
II Secured		
1 Loan Repayable on Demand		
- From Bank (Refer note a below)	21,31,58,110	5,57,63,733
2 Buyers credit from Bank	6,13,92,000	5,35,80,000
TOTAL	45,01,23,900	40,42,17,099
(a) Loan 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.		
Note : 2.7 Trade Payable		
Due to Micro Small and Medium Enterprise (Refer note 3.6)	-	-
Others	84,50,860	1,19,85,141
TOTAL	84,50,860	1,19,85,141
Note :2.8 Other Current Liabilities		
Current maturities of long term debt		
I Secured		
1 Term Loans		
- From Banks	6,19,49,860	16,87,24,488
2 Vehicle Loans from Banks & FIs	24,95,739	27,09,509
II Unsecured		
1 Fixed Deposits	3,00,000	-
2 Inter-corporate Deposits	8,99,372	-
3 Interest accrued but not due on borrowings	10,12,580	32,146
4 Interest accrued and due on borrowings	17,85,676	13,42,644
5 Unpaid matured deposits and interest accrued thereon	1,00,000	-
6 Unclaimed Dividends	11,02,814	11,02,814
7 Payable for Capital goods	1,31,57,336	15,83,299
8 Advance from customers	82,007	44,852
9 Provision for expenses	36,41,550	30,33,240
10 Statutory liabilities	5,25,65,855	1,68,87,358
TOTAL	13,90,92,789	19,54,60,350
Note :2.9 Short Term Provisions		
I Provision For Employees Benefit	1,10,13,453	1,31,66,610
II Provisions-Others		
1 Provision for Fringe Benefit Tax	36,86,573	36,86,573
2 Provision for Proposed Equity Dividend	-	1,31,39,090
3 Provision for Dividend Distribution Tax	-	21,82,239
TOTAL	1,47,00,026	3,21,74,512

Sr. No		Particulars	Gross Block				Depreciation				Net Block		Amount (₹)	
			Balance as at 1st April 2011	Addition during the year	Deduction during the year	Balance as at 31st March 2012	Balance as at 1st April 2011	Addition during the year	Deduction during the year	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011		
I		Tangible Assets												
1		Air-conditioners	63,01,455	1,92,350	-	64,93,805	8,52,265	3,00,003	-	11,52,268	53,41,537	54,49,190		
2		Computer	11,58,85,074	57,20,456	64,91,979	11,51,13,552	8,40,40,656	1,05,07,544	34,05,448	9,11,42,751	2,39,70,801	3,18,44,418		
3		Electrical installation	1,40,12,197	-	21,51,049	1,18,61,148	26,82,258	5,64,425	2,81,221	29,65,462	88,95,686	1,13,29,939		
4		Fax machine	11,055	-	-	11,055	3,503	528	-	4,031	7,024	7,552		
5		Furnitures & Fixtures	5,34,22,628	1,22,246	97,27,991	4,38,16,883	1,22,14,351	27,75,514	17,26,850	1,32,63,015	3,05,53,868	4,12,08,277		
6		Office Equipment	36,97,469	22,725	13,300	37,06,894	7,43,198	1,72,151	721	9,14,628	27,92,266	29,54,271		
7		Vehicles (Cars)	1,34,50,198	-	-	1,34,50,198	32,13,575	12,81,270	-	44,94,845	89,55,353	1,02,36,623		
8		Telephone installation	4,13,908	-	-	4,13,908	87,706	19,736	-	1,07,442	3,06,466	3,26,202		
TOTAL (I)			20,71,93,984	60,57,777	1,83,84,319	19,48,67,443	10,38,37,512	1,56,21,171	54,14,240	11,40,44,443	8,08,23,000	10,33,56,472		
II		Intangible Assets												
		Software Purchased	12,40,27,795	7,05,86,129	-	19,46,13,924	3,32,50,221	2,00,42,091	-	5,32,92,312	14,13,21,612	9,07,77,574		
		Software Development	6,24,21,315	82,92,744	-	7,07,14,059	3,69,18,124	1,78,98,505	-	5,48,16,629	1,58,97,430	2,55,03,191		
TOTAL (II)			18,64,49,110	7,88,78,873	-	26,53,27,983	7,01,68,345	3,79,40,596	-	10,81,08,941	15,72,19,042	11,62,80,765		
TOTAL (I+II)			39,36,43,094	8,49,36,650	1,83,84,319	46,01,95,426	17,40,05,857	5,35,61,766	54,14,240	22,21,53,383	23,80,42,042	21,96,37,237		
Previous Year			36,03,45,853	3,38,85,241	5,88,000	39,36,43,094	11,96,46,597	5,43,59,260	-	17,40,05,857	21,96,37,237	24,06,99,256		

PARTICULARS	Amount (₹)	
	As at 31 March, 2012	As at 31 March, 2011
Note :2.11 Non Current Investment(at cost)		
I Trade Investments (Un-quoted)		
Investment in Subsidiaries		
1 1,56,70,877 (Previous year 1,31,14,239) shares of common stock of Tricom Document Management Inc., USA, no par value.	70,64,12,667	57,02,20,538
2 86,59,177 (Previous year 86,59,177) Equity Shares of Tricom Infotech Solutions Ltd.of ₹ 10/- each fully paid up.	14,08,62,213	14,08,62,213
3 4,971,429 (Previous year 49,71,429) Equity Shares of Tricom Infotech Solutions Ltd. of ₹ 10/- , ₹ 7/- each paid up.	5,65,30,186	5,65,30,186
4 10,000 (Previous year 10,000) Equity shares of Tricom I.T Services Private Limited (formerly known as Mastiff Internet Media Solutions (P) Ltd)of ₹ 10/-each fully paid up.	1,22,14,000	1,22,14,000
5 1,60,000 (Previous year 1,60,000) Equity shares of Mastiff Tech Pvt. Ltd of ₹ 10/-each fully paid up.	1,27,86,000	1,27,86,000
6 10,000 (Previous year 10,000) Equity shares of Tricom LPO Pvt. Ltd. of ₹ 10/- each fully paid up.	1,00,000	1,00,000
II Non-trade Investments (Others - Un-quoted)		
4,900 Equity Shares of Malad Sahakari Bank Ltd. of ₹ 10 each fully paid up.	49,000	49,000
TOTAL	92,89,54,066	79,27,61,937
Note : 2.12 Long Term Loans and Advances		
Unsecured, Considered Good :		
1 Capital Advances	-	1,30,00,000
2 Security Deposits	3,64,50,033	3,98,41,047
TOTAL	3,64,50,033	5,28,41,047
Note: 2.13 Other Non Current Asset		
1 Prepaid Expenses	8,63,552	42,96,647
2 Miscellaneous Expenditure	21,94,493	28,99,673
TOTAL	30,58,045	71,96,320
Note : 2.14 Inventories		
(valued at lower of the cost and net realizable value)		
1 Work-In-Progress	8,85,000	10,22,500
2 Stock-In-Trade	23,48,96,862	18,14,08,925
TOTAL	23,57,81,862	18,24,31,425
Note:2.15 Trade Receivables		
Unsecured, Considered good		
1 Receivables outstanding for a period exceeding six months from the date they are due for payment	4,64,49,273	1,99,97,070
2 Others	57,48,78,972	27,61,88,975
TOTAL	62,13,28,245	29,61,86,045

PARTICULARS	Amount (₹)		
	As at 31 March, 2012	As at 31 March, 2011	
Note:2.16 Cash & Cash Equivalents			
I Cash-on-Hand			
Cash Balance (A)	5,96,871	3,81,705	
II Balances with Banks			
1 Unclaimed dividend accounts	11,02,720	11,02,720	
2 Balances with banks in EEFC accounts	1,78,493	43,245	
3 Other Bank Balances including balances in Current accounts	2,12,789	12,90,398	
4 Fixed deposit with banks	16,84,969	4,23,66,821	
	(B)		
TOTAL (A+B)	37,75,842	4,51,84,889	
Note:2.17 Short Terms Loans and Advances			
I Unsecured , considered good			
1 Loan to Companies & Other parties	4,22,43,380	3,81,35,826	
2 Loans & Advances to Related parties	1,49,45,236	11,19,73,104	
3 Advance Income Tax (net of provision for taxation)	5,46,80,245	7,22,75,233	
4 Advance Recoverable in cash or in kind or for value to be considered good	8,19,42,404	8,56,78,771	
5 Prepaid Expenses	1,24,20,956	1,87,30,490	
TOTAL	20,62,32,221	32,67,93,423	
Note: 2.18 Other Current Assets			
Miscellaneous Expenditure	7,05,180	7,05,180	
TOTAL	7,05,180	7,05,180	
Notes Forming Part of the Statement of Profit and Loss			
Sr No.	PARTICULARS	For the year ended 31 March,2012	Amount (₹) For the year ended 31 March,2011
Note : 2.19 Revenue from Operations			
1	Income from Services	80,07,33,912	67,97,81,588
	TOTAL	80,07,33,912	67,97,81,588
Note :2.20 Other Income			
1	Miscellaneous Income	1,31,200	2,09,581
2	Net gain on foreign currency transactions/translation	7,51,12,304	-
	TOTAL	7,52,43,504	2,09,581
Note : 2.21 Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade			
1	Opening Stock of Stock-in-trade and work-in-progress		
	Work-In-Progress	10,22,500	52,65,000
	Stock-In-Trade	18,14,08,925	-
2	Closing Stock of Stock-In-Trade and Work-In-Progress		
	Work-In-Progress	8,85,000	10,22,500
	Stock-In-Trade	23,48,96,862	18,14,08,925
	TOTAL	(5,33,50,437)	(17,71,66,425)

Notes Forming Part of the Statement of Profit and Loss

		Amount (₹)	
Sr No.	PARTICULARS	For the year ended 31 March,2012	For the year ended 31 March,2011
Note : 2.22 Employee Benefits Expense			
1	Salaries & Incentives	21,33,98,055	17,55,52,277
2	Directors Remuneration	30,00,000	43,50,000
3	Contribution to Provident and Other Funds	80,27,166	60,38,220
4	Staff Welfare expenses	34,80,137	30,33,238
		<u>22,79,05,358</u>	<u>18,89,73,735</u>
	Less: Capitalised	31,23,722	28,50,580
	TOTAL	<u>22,47,81,636</u>	<u>18,61,23,155</u>
Note :2.23 Finance Costs			
1	Interest Expense	15,23,09,437	13,73,21,203
2	Finance Charges	3,91,63,575	2,21,44,215
3	Other Borrowing Costs	11,06,379	19,86,902
		<u>19,25,79,391</u>	<u>16,14,52,320</u>
	Less: Interest earned	4,04,81,611	6,98,29,445
	TOTAL	<u>15,20,97,780</u>	<u>9,16,22,876</u>
Note : 2.24 Other Administrative Expenses			
1	Advertisement and Sales Promotion	25,68,401	29,23,500
2	Fixed Assets written-off	98,70,969	-
3	Auditors Remuneration (refer note 'a' below)	8,09,500	9,38,000
4	Bad debts written-off	7,08,523	-
5	Bank Charges	6,19,473	6,86,051
6	Commission Expenses	4,43,87,617	-
7	Communication expenses	51,51,947	65,27,569
8	Directors' Sitting Fees	90,000	2,55,000
9	Donation	94,91,000	39,004
10	Electricity expenses	1,71,89,686	1,26,96,258
11	Foreign travel	15,15,631	34,69,722
12	Insurance Expenses	2,76,529	4,45,864
13	Legal & Professional Fees	32,24,134	1,47,52,767
14	Loss on sale of Assets	3,76,601	-
15	Miscellaneous Expenses	15,32,040	17,09,852
16	Motor Car Expenses	6,22,898	4,98,151
17	Miscellaneous Expenditure Written off	7,05,180	7,05,180
18	Printing & Stationery Expenses	13,67,229	16,73,513
19	Rent, Rates & Taxes	3,07,76,717	2,79,45,664
20	Repair & Maintenance	62,43,035	41,12,551
21	Security Expenses	17,61,673	13,77,108
22	Service charges	7,99,70,679	8,09,07,821
23	Travelling & Conveyance Expenses	54,80,764	48,09,713
24	Water Charges	6,15,255	6,16,132
25	Net loss on foreign currency transaction/translation	-	59,70,563
		<u>22,53,55,480</u>	<u>17,30,59,983</u>
26	Less: Expenses Capitalised	(51,69,022)	(44,17,836)
	TOTAL	<u>22,01,86,458</u>	<u>16,86,42,147</u>
a - Payments to the auditors			
Payments to the auditors comprises			
1	As Auditors - Statutory Audit	7,50,000	7,50,000
2	For other services -Certification	59,500	1,88,000
	TOTAL	<u>8,09,500</u>	<u>9,38,000</u>

Additional information to the Financial Statements

Note : 3.1 Contingent liabilities and commitments (to the extent not provided for)		(₹ in Lacs)
PARTICULARS	As at 31 March,2012	As at 31 March,2012
i) Bank Guarantees issued to Custom authorities & others	8.31	3.40
ii) Appeals filed at different forums/authorities in respect of Income Tax	369.33	185.95
iii) Corporate Guarantee given by the Company in respect of credit limits sanctioned by a bank to a Subsidiary company	996.25	867.15
iv) 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.

Note : 3.2 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.

Note : 3.3 The Company had 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 ₹ NIL remains to be amortised in the "Foreign Currency Monetary Items Translation Reserve Account."

Note : 3.4 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 ₹ 315.29 Lacs is recognised as asset for the Financial Year 2010-2011 in the Balance Sheet.

Note : 3.5 Employee Benefits:

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

Brief description of the Plan :

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

I. Charged to the Statement of Profit and Loss based on contributions :

PARTICULARS	(₹ in Lacs)	
	As at 31 March,2012	As at 31 March,2012
Employer's contribution to Provident Fund	27.45	27.53
Employer's contribution to Employees' State Insurance	42.57	43.90

II. Disclosures for Defined Benefit Plans based on actuarial report as on March 31, 2012**A. Change in Defined Benefit Obligation****(Non-Funded) Gratuity**

Projected benefit obligations as at the beginning of the year	43.55	60.73
Service Cost	9.40	9.66
Interest cost	3.70	5.16
Past service cost	-	-
Actuarial (gain)/loss on obligation	(5.95)	(28.16)
Benefit Paid	(4.33)	(3.84)
Projected benefit obligations as at the end of the year	<u>46.38</u>	<u>43.55</u>

B. Charged to the Statement of Profit and Loss based on Actuarial valuation

Current service cost	9.40	9.66
Interest cost	3.70	5.16
Expected Return on Plan Assets	-	-
Net Actuarial gain	(5.95)	(28.16)
Net Periodic cost	<u>7.16</u>	<u>(13.33)</u>

C. Amount recognized in the Balance Sheet

Present Value of obligation	46.38	43.55
Present value of Assets	-	-
Liability recognised in Balance Sheet	<u>46.38</u>	<u>43.55</u>

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

Net Liability as at the beginning of the year	43.55	60.73
Expenses as above	7.16	(13.33)
Contributions Paid	(4.33)	(3.84)
Net Liability as at the end of the year	<u>46.38</u>	<u>43.55</u>

E. Principal actuarial assumptions used

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.

Note : 3.6 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any information from all its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. However, as per the information available there are no amounts outstanding for a period beyond the stipulated period as specified under Micro, Small and Medium Enterprises Development Act, 2006.

Note : 3.7 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 licenses. The cost of ₹ 82.93 Lacs (Previous Year ₹ 72.68 Lacs) is capitalized and shown as Intangible assets under the Group Fixed Assets.

Note : 3.8 Few debtors, creditors and loans and advances are subject to confirmation and reconciliation if any.

Note : 3.9 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 (38 Nos.) as on 31st March, 2012 in US \$ 29,50,000 amounting to ₹ 1530.55 lacs.

Note : 3.10 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 Statement of Profit and Loss as a rent amounting to ₹ 303.33 Lacs (Previous year. ₹ 279.46 Lacs). The future minimum lease payments under non-cancelable operating leases due within a period of one year are estimated at ₹ NIL (Previous year ₹ NIL) and due later than one year but not later than five years are estimated at ₹ NIL. (Previous year ₹ NIL).

Note : 3.11 Additional Information pursuant to the provision of Paragraph B Part II Schedule VI (As Applicable)

<u>Value of imports calculated on CIF basis</u>	<u>(₹ in Lacs)</u>	
<u>PARTICULARS</u>	<u>For the year ended 31 March, 2012</u>	<u>For the year ended 31 March, 2011</u>
Raw Materials, Packing Material, Components, Spare parts	1,405.10	1,825.37
Expenditure in foreign currency		
Travelling & other Expenses	490.56	92.44
Earnings in foreign exchange:		
Export Sales	5,899.58	6,797.82

Note : 3.12 Payment of Dividend

The Company had declared dividend of ₹ 131.39 Lacs in its Annual General Meeting held on 31st December 2011. Due to paucity of funds, the amount could not be transferred to separate Dividend Account within the time limit prescribed u/s. 205(1A) of the Companies Act, 1956. However, the Company has transferred ₹ 46.47 Lacs upto 31st March 2012 and ₹ 5.37 Lacs thereafter.

Note : 3.13 Earning per share

PARTICULARS		Amount (₹)	
		As at 31 March, 2012	As at 31 March, 2011
Basic Earning Per Share			
Net Profit for the year		9,07,55,148	14,96,34,741
Less: Dividend on Preference Shares		-	-
Profit for the year attributable to the equity shareholders	A	9,07,55,148	14,96,34,741
Weighted average number of equity shares for basic EPS	B	6,54,47,025	5,85,61,409
Basic Earnings per share - (₹)	A/B	1.39	2.56
Diluted Earning Per Share			
Net Profit for the year	A	9,07,55,148	14,96,34,741
Weighted average number of equity shares for diluted EPS	B	6,54,47,025	5,85,61,409
Add: Weighted average number of potential equity shares on account of convertible debentures/fresh issue	C	13510000	60,45,000
Weighted average number of shares for diluted EPS	D= (B+C)	7,89,57,025	6,46,06,409
Diluted Earning per share (₹)	A/D	1.15	2.32
Face value per share (₹ 2/- each)			

Note : 3.14 Segment Reporting

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

Note : 3.15 Related party transactions

Description of relationship	Names of related parties
Subsidiary companies	Tricom Document Management Inc. Tricom Infotech Solutions Limited Mastiff Tech Private Limited Tricom I.T. Services Private Limited Tricom LPO Private Limited Pacific Data Centers, Inc. * Tricom Data Services, Inc. * Tricom Software Services, Inc. * Tricom Litigation Coding Services, Inc. * Tricom Search Services, Inc. * Tricom Infotech Solutions, Inc. # Tricom Infotech Solutions (Cyprus) Limited # Grand Imaging & Technology Inc. (formerly known as GTESS- Tricom Corporation) ##
	* - Held through Tricom Document Management Inc. # - Held through Tricom Infotech Solutions Limited ## - Held through Tricom Infotech Solutions Inc.
Executive Director	Mr. Chetan S. Kothari - Managing Director
Non-Executive Directors	Mr. Jayant B. Tanksale** Mr. Hiren Kothari Mr. Gautam Berry*** Mr. Baldev Boolani Mr. Vijay Bhatia***** Mr. Rasik Chaturvedi Mr. Gaurav Bhatia*** Mr. Paresh Pathak**** Mr. Hariom Tulsyan*****
Entities having significant influence over the company	Tricom Fruit Products Limited Adilnath Finance Private Limited Trio Mercantile & Trading Limited Manshanti Enterprises Kothari Financial Services

** Was Executive Director till 14th February, 2012.
 ***Ceased to be Director w.e.f. 15th May, 2012.
 ****Appointed as Director w.e.f. 14th May, 2012.
 *****Ceased to be Director w.e.f. 6th January, 2012.
 *****Ceased to be Director w.e.f. 4th September, 2012.

Details of related party transactions and balances outstanding as at 31 March, 2012:

(₹ in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Other related parties/Entities having significant influence over the company	Total
Transaction during the year				
Sale	3,827.48	-	-	3,827.48
	(4,143.95)	-	-	(4,143.95)
Service charges paid	345.00	-	-	345.00
	-	-	-	-
Commission paid	443.88	-	-	443.88
	-	-	-	-
Loans and advances given	151.65	-	-	151.65
	(515.15)	-	-	(515.15)
Loans and deposits taken	0.90	204.63	197.33	402.86
	-	(163.40)	(176.61)	(340.00)
Loans and deposits repaid	0.90	204.63	197.33	402.86
	-	(163.40)	(176.61)	(340.00)
Receipt of interest on Loan	64.07	-	-	64.07
	(75.13)	-	-	(75.13)
Payment of interest on Loans & Deposits	-	-	8.58	8.58
	-	-	(3.82)	(3.82)
Balances outstanding at the end of the year				
Trade receivables	3,444.20	-	-	3,444.20
	(2,347.35)	-	-	(2,347.35)
Trade payables	100.00	-	-	100.00
	-	-	-	-
Investment in Shares	9,289.05	-	-	9,289.05
	(7,927.13)	-	-	(7,927.13)
Loans and Advances given	149.45	-	-	149.45
	(1,119.73)	-	(13.57)	(1,133.30)

(Note: Previous year figures are in brackets)

Note : 3.16 Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

AS PER OUR REPORT OF EVEN DATE

FOR **J. L. BHATT & Co.**
 CHARTERED ACCOUNTANTS
 Firm Reg. No.: 101332W

YOGESH J. BHATT

Partner
 Membership No. : 30170
 Place : Mumbai
 Date : 16th October, 2012

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI **PARESH PATHAK**
 MANAGING DIRECTOR DIRECTOR

G. T. SHENOY
 COMPANY SECRETARY

Name of the Subsidiary Company	STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES										(Amount in Lacs)			
	Financial Year ended on	* Tricom Document Management Inc.	# Pacific Data Centers Inc.	* Tricom Data Services Inc.	* Tricom Software Services Inc.	* Tricom Litigation Coding Services Inc.	* Tricom Search Services Inc.	Tricom Infotech Solutions Limited	Tricom Infotech Solutions (Cyprus) Limited	Tricom Infotech Solutions Inc.	Grand Imaging & Technology Inc.	Tricom LPO Private Limited	Tricom IT Services Private Limited	Mastiff Tech Private Limited
	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2012
1 Capital	8,017.22	8.31	146.57	2,726.32	1,604.33	-	1,213.92	1,695.95	2,473.36	493.69	1.00	1.00	16.00	
2 Reserves	(967.41)	(984.08)	464.61	887.74	(224.76)	3.20	1,353.90	81.44	88.08	-	(0.10)	3.69	36.23	
3 Total Assets	9,171.35	254.35	2,696.30	6,651.80	2,059.63	59.80	4,110.48	1,784.84	4,035.88	1,080.78	0.96	285.30	141.06	
4 Total Liabilities	9,171.35	254.35	2,696.30	6,651.80	2,059.63	59.80	4,110.48	1,784.84	4,035.88	1,080.78	0.96	285.30	141.06	
5 Details of Investment (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 Turnover	21.26	272.36	3,099.53	4,198.21	-	56.49	3,639.06	-	1,633.73	-	-	306.79	60.38	
7 Profit/(Loss) before taxation	(471.10)	(266.75)	312.39	497.78	(44.86)	3.20	182.89	2.69	(0.09)	-	(0.10)	1.21	(6.37)	
8 Provision for taxation	-	-	-	-	-	-	68.89	-	-	-	-	8.46	1.14	
9 Profit after taxation	(471.10)	(266.75)	312.39	497.78	(44.86)	3.20	114.00	2.69	(0.09)	-	(0.10)	(7.25)	(4.49)	
10 Proposed/Interim Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exchange Rate Used	51.16	51.16	51.16	51.16	51.16	51.16	51.16	51.16	51.16	51.16	USD	INR	INR	
Local Currency	USD	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 this company ends on 31st December 2011. However, the results given are as of March 31, 2012.

The financial year of this company ends on 30th June 2011. However, the results given are as of March 31, 2012.

AS PER OUR REPORT OF EVEN DATE

For **J. BHATT & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.: 101332W

YOGESH J. BHATT

Partner

Membership No.: 30170

Place : Mumbai

Date : 24th November ,2012

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI

MANAGING DIRECTOR

G.T.SHENOY

COMPANY SECRETARY

PARESH PATHAK

DIRECTOR

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, 2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We 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 ₹ 21424.56 Lacs as at 31st March, 2012 and total revenue of ₹ 12598.47 Lacs and net cash outflows amounting to ₹ 93.58 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 Company'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 subject to **note no. 3.12 regarding non-compliance of Section 205(1A) of the Companies Act, 1956** and read with the 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 Company as at 31st March, 2012.
- b) In the case of the Consolidated Statement of Profit and Loss of the Profit for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

For **J. L. BHATT & CO.**
Chartered Accountants
Firm Reg. No. 101332W

YOGESH J. BHATT
Partner
Membership No. 30170

Place : Mumbai
Date : 24th November 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	Amount (₹)	
		As at 31 March,2012	As at 31 March,2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
(a) Share Capital	2.1	13,13,90,900	11,93,00,900
(b) Reserves and Surplus	2.2	1,22,17,08,011	1,01,15,47,782
(c) Money received against share warrants	2.1c	6,75,00,000	-
(2) Share Application money pending allotment	2.1b	11,48,85,000	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	17,63,39,059	19,16,37,355
(b) Deferred Tax Liabilities (Net)	2.4	97,25,329	1,20,71,978
(c) Long Term Provisions	2.5	59,42,727	54,70,477
(4) Current Liabilities			
(a) Short-Term Borrowings	2.6	55,72,63,270	49,63,11,680
(b) Trade Payables	2.7	16,65,98,235	6,04,20,931
(c) Other Current Liabilities	2.8	15,48,92,394	22,92,53,880
(d) Short-Term Provisions	2.9	2,77,20,873	4,48,96,124
Total Equity and Liabilities		2,63,39,65,798	2,17,09,11,107
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	2.10		
(i) Tangible assets		9,82,03,712	12,56,87,266
(ii) Intangible assets		1,02,15,16,822	93,93,70,647
(b) Non-current investments	2.11	49,000	49,000
(c) Long term loans and advances	2.12	4,22,97,262	6,75,30,785
(d) Other non-current assets	2.13	1,91,95,801	2,04,97,229
(2) Current Assets			
(a) Inventories	2.14	26,42,30,200	18,35,02,425
(b) Trade receivables	2.15	75,17,68,562	40,89,14,593
(c) Cash and cash equivalents	2.16	87,64,388	6,07,36,517
(d) Short-term loans and advances	2.17	42,72,34,871	36,39,17,465
(e) Other current assets	2.18	7,05,180	7,05,180
Total Assets		2,63,39,65,798	2,17,09,11,107
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES TO ACCOUNTS	3		

Notes referred to above and notes attached there to form an integral part of Balance Sheet

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR **J.L.BHATT & Co.**
CHARTERED ACCOUNTANTS
Firm Reg. No.: 101332W

CHETAN KOTHARI
MANAGING DIRECTOR

PARESH PATHAK
DIRECTOR

YOGESH J. BHATT
Partner
Membership No. : 30170
Place : Mumbai
Date : 24th November,2012

G. T. SHENOY
COMPANY SECRETARY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

PARTICULARS	Note No.	Amount (₹)	
		For the year ended 31 March, 2012	For the year ended 31 March, 2011
I Revenue from Operations	2.19	1,37,50,67,460	1,13,14,35,738
II Other Income	2.20	8,02,47,537	49,59,368
Total Revenue		1,45,53,14,997	1,13,63,95,106
III Expenses:			
Purchase of Stock-in-Trade		26,60,79,200	18,14,08,925
Changes in inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	2.21	(8,07,27,775)	(17,79,94,899)
Employee Benefits Expense	2.22	40,37,72,198	36,50,17,980
Finance Costs	2.23	18,13,26,532	11,29,46,300
Depreciation and Amortization Expense	2.10	9,44,02,291	8,13,51,478
Other Administrative Expenses	2.24	43,12,51,634	32,65,34,491
Total Expenses		1,29,61,04,080	88,92,64,275
IV Profit before exceptional and extraordinary items and tax		15,92,10,917	24,71,30,831
V Exceptional Items			
Pre-operative Expenses written off		-	4,06,81,014
Amortisation of Foreign Currency Monetary Item		-	47,70,010
Translation Difference		-	-
VI Profit before extraordinary items and tax		15,92,10,917	20,16,79,807
VII Extraordinary Items		-	-
VIII Profit before tax		15,92,10,917	20,16,79,807
IX Tax expenses:			
(1) Current tax		6,06,45,200	3,88,34,142
(2) (Less): MAT credit		(23,100)	(3,96,19,700)
(3) Deferred tax		(26,87,548)	88,29,433
X Profit/(Loss) for the period (VIII-IX)	(IX-X)	10,12,76,365	19,36,35,932
Add: Prior period income		73,864	10,45,794
XI Profit for the year		10,13,50,229	19,46,81,726
XII Earning per equity share (face value ₹ 2/-):			
(1) Basic		1.55	3.31
(2) Diluted		1.28	3.00
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES TO ACCOUNTS	3		

Notes referred to above and notes attached there to form an integral part of Statement of Profit and Loss

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L.BHATT & Co.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 101332W

CHETAN KOTHARI
MANAGING DIRECTOR

PARESH PATHAK
DIRECTOR

YOGESH J. BHATT

G. T. SHENOY

Partner

COMPANY SECRETARY

Membership No. : 30170

Place : Mumbai

Date : 24th November, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH,2012

(Amount in Lacs)

PARTICULARS	For the year ended 31 March,2012	For the year ended 31 March,2011
A Cash flow from Operating activities:		
Profit Before Tax	1,592.11	2,064.50
Adjustment for:		
Depreciation	944.02	813.51
Interest Expenses	2,157.52	1,754.19
Interest Received	(344.26)	(624.72)
Forex Fluctuation	3.41	(19.99)
Miscellaneous Expenses Writtenoff	7.05	7.05
Assets writteoff	98.71	-
Loss on Sale of Fixed Assets	3.77	-
Operating Profit before Working Capital changes	4,462.33	3,994.54
Adjustment for:		
Inventory	(807.28)	(1,782.37)
Trade and other receivable	(3,247.77)	2,145.98
Trade & other payables	1,275.73	346.16
Cash generated from Operating activities	1,683.01	4,704.31
Direct Taxes (paid) / refund	(554.45)	(390.07)
Operating Cash flow before prior period item	1,128.56	4,314.24
Prior period income / (expenses)	0.74	10.46
Net cash from Operating activities (A)	1,129.30	4,324.70
B Cash flow from Investing activities		
Sale/(Purchase) of Fixed Assets	(1,463.12)	(4,131.92)
Interest received	344.26	624.72
Inter - Corporate Deposit placed	(708.06)	177.95
Net cash used in Investing activities (B)	(1,826.92)	(3,329.25)
C Cash Flow from Financing activities		
Proceeds of borrowings	1,888.33	2,087.94
Repayment of borrowings	(2,509.92)	(1,391.40)
Interest paid	(2,157.52)	(1,754.19)
Dividend Paid	(46.47)	(140.16)
Dividend Tax paid	-	(23.82)
Proceeds from Issue of Share Capital	1,209.00	250.00
Share Application Money	1,823.85	-
Preliminary Expenses incurred	(17.32)	(102.83)
Net Cash from Financing activities (C)	189.95	(1,074.46)
D Adjustment on account of Acquisition	-	3.88
Net Increase/Decrease in Cash and cash equivalents (A+B+C+D)	(507.67)	(75.13)
Cash and cash equivalent at the beginning of the year	636.14	711.27
Cash and cash equivalent at the end of the year	128.47	636.14

* Balance with banks in deposit accounts includes ₹ 40.82 Lacs (Previous Year ₹ 28.77 Lacs) shown under head other non-current assets (Note no. 21.3)

Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

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, 2012 and found the same in agreement therewith.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

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

CHETAN KOTHARI
MANAGING DIRECTOR

PARESH PATHAK
DIRECTOR

YOGESH J. BHATT
Partner

G. T. SHENOY
COMPANY SECRETARY

Membership No. : 30170
Place : Mumbai
Date : 24th November,2012

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2012**1- SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of preparation of Financial Statements:**

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

1.2 Presentation and disclosure of financial statements

During the year ended 31st March 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

1.3 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 and Tricom Search Services Inc. USA follows calendar year as their accounting year. However, the accounts for April 1, 2011 to March 31, 2012 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, 2011 to March 31, 2012 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 Grand Imaging & Technology Inc. (formerly GTESS Tricom Corporation) follow the financial year as their accounting year.

- e) Mastiff Tech Private Limited, Tricom IT 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 IT 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, Tricom Search 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. & Grand Imaging & Technology Inc. (formerly 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 (1.6)(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.

1.4 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.

1.5 Revenue Recognition

Revenue from services is recognized based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognized on periodical basis based on units executed and delivered.

Revenue from sale of software is recognized on delivery and transfer of ownership of the software to the clients.

Revenue from sale of software 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.

Other Income: Interest Income is accounted on accrual basis. Dividend income is accounted for when right to receive is established.

1.6 Fixed Asset including goodwill, intangible assets and Capital work-in-progress

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. . 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 Statement of Profit and Loss 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 ₹ 5,000/-) are entirely depreciated in the year of acquisition.

1.7 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.

1.8 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 premium / 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.

1.9 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.

1.10 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 yearend 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.

1.11 Income Tax:

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 after complying with the various provisions of the Act.

Provision for deferred tax is made using the applicable rate of taxation, for all timing differences which arise during the year and are reversed in subsequent periods.

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.

1.12 Inventory:

Work in Progress is valued at cost. Traded goods are valued at lower of cost or net realizable value.

1.13 Software:

The Company has internally generated software for its captive use for the various long term projects received. 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. The amortization period would be the project period or three equal yearly installments whichever is less.

1.14 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.

1.15 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. Contingent Liabilities are not recognized but are disclosed in the notes (Refer note 3.1).

1.16 Leases:

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

1.17 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.

1.18 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.

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

NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012
Note : 2.1 Share Capital

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
I AUTHORISED CAPITAL				
1 Equity Shares of ₹ 2/- each.	8,75,00,000	17,50,00,000	8,75,00,000	17,50,00,000
2 Preference shares of ₹ 100/- each.	2,50,000	2,50,00,000	2,50,000	2,50,00,000
	8,77,50,000	20,00,00,000	8,77,50,000	20,00,00,000
II ISSUED , SUBSCRIBED & PAID UP CAPITAL				
Equity Shares of ₹ 2/- each.	6,56,95,450	13,13,90,900	5,96,50,450	11,93,00,900
TOTAL	6,56,95,450	13,13,90,900	5,96,50,450	11,93,00,900

a - Rights of the shareholders:

- The Company has only one class of equity shareholders. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

PARTICULARS	As at 31.03.2012		As at 31.03.2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
Equity Shares				
Shares outstanding at the beginning of the year	5,96,50,450	11,93,00,900	5,84,00,450	11,68,00,900
Shares issued during the year/period	60,45,000	1,20,90,000	12,50,000	25,00,000
Shares outstanding at the end of the year	6,56,95,450	13,13,90,900	5,96,50,450	11,93,00,900

The company had issued and allotted 60,45,000 15% Fully convertible debentures of ₹ 20/- each. These debentures were subsequently converted into 60,45,000 equity shares of ₹ 2/- each at a premium of ₹ 18/- each per share on 16th April 2011.

The company had issued 12,50,000 Equity shares of ₹ 2/- each on preferential basis as consideration for acquisition of the entire shareholding of Mastiff Tech Pvt. Ltd. and Mastiff Internet Media Solutions Pvt. Ltd. during the previous year.

b - Share application money

As at 31 March 2012, the Company has received an amount of ₹ 11,48,85,000/- towards share application money towards 85,10,000 equity shares of ₹ 2/- each at a premium of ₹ 11.50 per equity share. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation, the Company has allotted these shares on 14th May, 2012. The Company has sufficient authorised capital to cover the allotment of these shares.

c - Monies received against share warrants

The Board of Directors of the Company at their meeting held on 9th January, 2012 and as approved at its Meeting held on 17th February, 2012 have resolved to create, offer, issue and allot up to 50,00,000 warrants, convertible into 50,00,000 equity shares of ₹ 2/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹ 13.50 per equity share of the Company, arrived at in accordance with the SEBI Guidelines in this regard and subsequently these warrants were allotted on 14th May, 2012. The warrants have been converted into equivalent number of shares on 14th August, 2012.

PARTICULARS	Amount (₹)	
	As at 31 March, 2012	As at 31 March, 2011
Note : 2.2 Reserves and Surplus		
1 Capital Reserve		
Opening balance	31,995	31,995
Additions during the year	-	-
Closing balance	<u>31,995</u>	<u>31,995</u>
2 Securities Premium Reserve		
Opening balance	24,27,68,130	22,02,68,130
Add: Amount received on preferential issue of Equity Shares	-	2,25,00,000
Add: Amount arising on conversion of Fully Convertible Bonds to Equity shares	10,88,10,000	-
Closing balance	<u>35,15,78,130</u>	<u>24,27,68,130</u>
3 General Reserve		
Opening balance	4,74,51,296	4,74,51,296
Add: For the year	-	-
Closing balance	<u>4,74,51,296</u>	<u>4,74,51,296</u>
4 Surplus in the Statement of Profit & Loss		
Opening balance	72,12,96,361	54,19,35,964
Add: Profit for the year	10,12,76,365	19,36,35,932
Add: Prior period income	73,864	10,45,794
Less: Proposed dividend on Equity shares	-	(1,31,39,090)
Dividend Distribution tax	-	(21,82,239)
Closing balance	<u>82,26,46,590</u>	<u>72,12,96,361</u>
TOTAL	<u>1,22,17,08,011</u>	<u>1,01,15,47,782</u>

Note : 2.3 Long Term Borrowings

Secured (refer note a & b below)		
1 Term Loans		
- From Banks		
Indian Rupee Loan	12,50,76,981	5,17,22,320
External Commercial Borrowing	-	8,37,18,750
2 Vehicle Loans from Banks & FIs	31,35,138	49,42,604
3 Public Deposits (Unsecured)		
Others	4,61,85,000	4,95,17,000
4 Inter-corporate Deposits - Unsecured	19,41,940	17,36,681
TOTAL	<u>17,63,39,059</u>	<u>19,16,37,355</u>

a - Security for Long Term - Secured Loans

(i) Loan 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.

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

b - Details of terms of repayment for the secured borrowings :

Amount (₹)

PARTICULARS		Terms of repayment	As at 31 March, 2012		As at 31 March, 2011		
			Long Term	Current Maturity	Long Term	Current Maturity	
Term loans from banks:		Capital Repayment					
Bank 1 - Term Loan 1	₹ 15 crores	Repayable in 33 monthly installments starting from Jan 2010 and repayable by Sep 2013. (15 Installments of ₹ 0.2733 cores payable on monthly basis upto March 2011 and 18 installments of ₹ 0.6058 crores payable from April 2011 to Sep 2013).	-	4,83,82,602	3,63,09,000	8,06,84,727	
		The Company has defaulted in paying the installments for the month of Feb & Mar 2012 upto 31.03.2012 (since paid) and for the period Jan 2011 to Mar 2011 in the previous year upto 31.03.2011 (since paid).					
Bank 1 - Term Loan 2	₹ 2.50 Crores	Repayable in 60 monthly installments of ₹ 0.0416 crores each commencing from April 2009 and repayable by March 2014.	49,12,920	55,56,319	99,13,320	51,83,125	
		The Company has defaulted in paying the installment for the month of Mar 2012 in the current year upto 31.03.2012 (since paid)					
Bank 1 - Term Loan 3	₹ 7.50 Crores	Repayable in 36 monthly installments of ₹ 0.23 crores each commencing from May 2009 and repayable by Jan 2012.	-	-	-	2,70,44,136	
		The Company has defaulted in paying the installments for the month of Feb & Mar 2011 in the previous year upto 31.03.2011 (since paid).					
Bank 2 - Term Loan 4	₹ 12.82 Crores	Repayable in 48 monthly installments of ₹ 0.2670 crores each commencing from Jan 2013 and repayable by Dec 2016.	12,01,64,061	80,10,939	-	-	
Bank 2 - Term Loan 5	USD 5 million	Repayable in 8 equal semi-annual installments from Nov 2009 to May 2013.	-	-	8,37,18,750	5,58,12,500	
Bank 3 - Term Loan 6	₹ 1.35 crores	Tenor - 15 months. Repayable in 5 equal quarterly installments of ₹ 0.27 crores each, starting from Feb 2010 & repayable by July 2011.	-	-	-	23,78,998	
Bank 3 - Term Loan 7	₹ 1.65 crores	Tenor - 3 years. Repayable in 12 equal quarterly installments of ₹ 0.1375 crores each, starting from March 2011 & repayable by March 2013.	-	71,42,439	55,00,000	71,55,757	
		The company has defaulted in paying the installment due on Feb 2012 upto 31st March 2012 (since paid) & due on Feb 2011 upto 31st March 2011 (since paid).					
Vehicle loans from banks:							
Loan 1	₹ 0.11 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	3,45,505	3,42,768	-	-	
Loan 2	₹ 0.01 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	15,656	19,977	35,633	24,128	
Loan 3	₹ 0.01 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	34,525	44,040	78,565	53,196	
Loan 4	₹ 0.02 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	43,238	55,141	98,379	66,614	
Loan 5	₹ 0.01 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	28,301	36,087	64,388	43,596	
Loan 6	₹ 0.02 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	41,587	53,052	94,639	64,078	
Loan 7	₹ 0.02 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	42,025	53,605	95,630	64,748	
Loan 8	₹ 0.06 crores	Repayable monthly in 36 installments from Apr 11 to Mar 14	1,61,438	1,84,437	3,45,875	2,19,125	
Loan 9	₹ 0.09 crores	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	2,03,641	2,03,641	2,89,662	
Loan 10	₹ 0.04 crores	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	90,506	90,506	1,28,740	
Loan 11	₹ 0.10 crores	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	2,14,696	2,14,696	3,04,837	
Loan 12	₹ 0.06 crores	Repayable monthly in 36 installments from Feb 10 to Jan 13	-	1,35,700	1,35,700	1,92,893	
Loan 13	₹ 0.04 crores	Repayable monthly in 36 installments from Mar 10 to Feb 13	-	86,855	86,855	1,15,280	
Loan 14	₹ 0.04 crores	Repayable monthly in 36 installments from Mar 10 to Feb 13	-	86,855	86,855	1,15,280	
Loan 15	₹ 0.12 crores	Repayable monthly in 60 installments from Apr 11 to Mar 16	7,45,093	2,03,365	9,48,458	1,81,386	
Loan 16	₹ 0.09 crores	Repayable monthly in 60 installments from Nov 10 to Sep 14	4,80,440	1,62,700	6,43,140	1,48,097	
Loan 17	₹ 0.13 crores	Repayable monthly in 60 installments from Sep 10 to Jul 15	6,66,964	2,49,324	9,16,288	2,28,637	
Loan 18	₹ 0.14 crores	Repayable monthly in 60 installments from Feb 10 to Dec 14	5,30,365	2,72,991	8,03,356	2,50,676	
Loan 19	₹ 0.07 crores	Repayable monthly in 36 installments from Mar 09 to Jan 12	-	-	-	2,18,536	

PARTICULARS	Amount (₹)	
	As at 31 March, 2012	As at 31 March, 2011
Note : 2.4 Deferred Tax Liabilities (Net)		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting.	97,25,329	1,20,71,978
TOTAL	97,25,329	1,20,71,978
Note :2.5 Long Term Provisions		
Provision for Employee Benefits		
Gratuity Provision	59,42,727	54,70,477
TOTAL	59,42,727	54,70,477
Note : 2.6 Short Term Borrowings		
I Unsecured		
1. 6045000, 15% Fully Convertible Debentures of ₹ 20/-each	-	12,09,00,000
2. Fixed Deposits	56,71,000	9,94,000
3. Inter-corporate Deposits	17,28,04,639	18,78,22,115
4. Others	2,82,50,164	82,84,328
II Secured		
1 Loan Repayable on Demand		
- From Bank (Refer note a below)	28,91,45,467	12,47,31,237
2 Buyers credit from Bank	6,13,92,000	5,35,80,000
TOTAL	55,72,63,270	49,63,11,680
(a) Loan 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.		
Note : 2.7 Trade Payable		
Due to Micro Small and Medium Enterprise (Refer Note 3.6)	-	-
Others	16,65,98,235	6,04,20,931
TOTAL	16,65,98,235	6,04,20,931
Note :2.8 Other Current Liabilities		
Current maturities of long term debt		
I Secured		
1 Term Loans		
- From Banks	6,90,92,299	17,82,59,243
2 Vehicle Loans from Banks & FIs	24,95,739	27,09,509
II Unsecured		
1 Fixed Deposits	3,00,000	-
2 Inter-corporate Deposits	23,77,791	13,67,423
3 Interest accrued but not due on borrowings	10,12,580	32,146
4 Interest accrued and due on borrowings	17,85,676	13,42,644
5 Unpaid matured deposits and interest accrued thereon	1,00,000	-
6 Unclaimed Dividends	11,02,814	11,02,814
7 Payable for Capital goods	41,51,767	29,47,468
8 Advance from customers	1,11,629	30,62,315
9 Provision for expenses	1,77,50,547	1,88,64,933
10 Statutory liabilities	5,46,11,552	1,95,65,385
TOTAL	15,48,92,394	22,92,53,880
Note :2.9 Short Term Provisions		
I Provision For Employees Benefit	2,40,34,300	2,58,88,222
II Provisions-Others		
1 Provision for Fringe Benefit Tax	36,86,573	36,86,573
2 Provision for Proposed Equity Dividend	-	1,31,39,090
3 Provision for Dividend Distribution Tax	-	21,82,239
TOTAL	2,77,20,873	4,48,96,124

Note : 2.10 Fixed Asset

Sr. No	Particulars	Gross Block			Depreciation			Net Block		Amount (₹)	
		Balance as at 1st April 2011	Addition during the year	Deduction during the year	Balance as at 31st March 2012	Balance as at 1st April 2011	Addition during the year	Deduction during the year	Balance as at 31st March 2012		Balance as at 31st March 2011
I	Tangible Assets										
1	Air-conditioners	63,01,455	1,92,350	-	64,93,805	8,52,264	3,00,003	-	11,52,267	53,41,538	54,49,191
2	Computer	12,79,31,428	60,93,395	64,91,979	12,75,32,845	9,33,88,134	1,18,07,064	34,05,448	10,17,89,750	2,57,43,095	3,45,43,294
3	Electrical installation	1,44,91,687	-	21,51,049	1,23,40,638	27,79,694	5,87,460	2,81,221	30,85,933	92,54,705	1,17,11,993
4	Fax machine	11,055	-	-	11,055	3,503	528	-	4,031	7,024	7,552
5	Furnitures & Fixtures	7,40,91,577	9,48,430	97,27,991	6,53,12,015	1,75,51,226	63,19,602	17,26,850	2,21,43,978	4,31,68,037	5,65,40,351
6	Office Equipment	1,79,27,793	77,571	13,300	1,79,92,064	1,16,63,266	11,62,945	721	1,28,25,490	51,66,574	62,64,527
7	Vehicles (Cars)	1,57,25,246	-	-	1,57,25,246	49,04,730	16,04,940	-	65,09,670	92,15,576	1,08,20,516
8	Telephone installation	4,13,908	-	-	4,13,908	87,705	19,736	-	1,07,441	3,06,467	3,26,203
9	Storage Bins	95,649	-	-	95,649	72,010	22,943	-	94,953	696	23,639
	TOTAL (I)	25,69,89,798	73,11,746	1,83,84,319	24,59,17,225	13,13,02,532	2,18,25,221	54,14,240	14,77,13,513	9,82,03,712	12,56,87,266
II	Intangible Assets										
1	Goodwill*	67,60,23,204	-	-	67,60,23,204	18,59,218	-	-	18,59,218	67,41,63,986	67,41,63,986
2	Customer Related Intangibles	2,84,87,029	-	-	2,84,87,029	2,84,87,029	-	-	2,84,87,029	-	-
3	Software Purchased	31,32,28,104	14,64,30,501	-	45,96,58,605	7,35,24,633	5,46,78,566	-	12,82,03,198	33,14,55,407	23,97,03,472
4	Software Development	6,24,21,315	82,92,744	-	7,07,14,059	3,69,18,126	1,78,98,505	-	5,48,16,630	1,58,97,428	2,55,03,189
	TOTAL (II)	1,08,01,59,651	15,47,23,245	-	1,23,48,82,897	14,07,89,005	7,25,77,070	-	21,33,66,075	1,02,15,16,822	93,93,70,647
	TOTAL (I+II)	1,33,71,49,449	16,20,34,991	1,83,84,319	1,48,08,00,122	27,20,91,537	9,44,02,291	54,14,240	36,10,79,588	1,11,97,20,534	1,06,50,57,913
	Previous Year	87,91,12,068	45,86,25,381	5,88,000	1,33,71,49,449	19,17,85,853	8,13,51,478	10,45,794	27,20,91,537	1,06,50,57,913	69,10,65,119

*Goodwill includes goodwill on consolidation ₹ 17,07,61,641/-

PARTICULARS	Amount (₹)	
	As at 31 March, 2012	As at 31 March, 2011
Note :2.11 Non Current Investment(at cost)		
1 Non-trade Investments (Others - Un-quoted)		
4900 Equity Shares of Malad Sahakari Bank Ltd. Of ₹ 10 each fully paid up	49,000	49,000
TOTAL	49,000	49,000
Note : 2.12 Long Term Loans and Advances		
Unsecured, Considered Good :		
I) Capital Advances	-	1,30,00,000
II) Security Deposits	4,22,97,262	5,45,30,785
TOTAL	4,22,97,262	6,75,30,785
Note: 2.13 Other Non Current Asset		
1 Unsecured, Considered Good :		
Deposits with Bank	40,82,479	28,77,321
2 Others		
Prepaid Expenses	9,03,090	44,36,362
Miscellaneous Expenditure	1,42,10,232	1,31,83,546
TOTAL	1,91,95,801	2,04,97,229
Note : 2.14 Inventories (valued at lower of the cost and net realizable value)		
1 Work-in-Progress	8,85,000	20,93,500
2 Stock-in-Trade	26,33,45,200	18,14,08,925
TOTAL	26,42,30,200	18,35,02,425
Note:2.15 Trade Receivables		
Unsecured		
1 Receivables outstanding for a period exceeding six months from the date they are due for payment:		
a) Considered good	22,19,43,756	5,09,93,196
b) Considered Doubtful	1,42,94,095	82,55,129
	23,62,37,851	5,92,48,325
Less: Provision for Doubtful Debts	1,42,94,095	82,55,129
	22,19,43,756	5,09,93,196
2 Others	52,98,24,806	35,79,21,397
TOTAL	75,17,68,562	40,89,14,593
Note:2.16 Cash & Cash Equivalent		
1 Cash-on-Hand		
Cash Balance (A)	12,36,545	13,60,852
2 Balances with Banks		
Unclaimed dividend accounts	11,02,720	11,02,720
Balances with banks-On EEFC accounts	1,78,493	43,245
Other Bank Balances including balances in Current accounts	44,22,907	1,57,54,656
Fixed deposit with banks	18,23,723	4,24,75,044
(B)	75,27,843	5,93,75,665
TOTAL [A + B]	87,64,388	6,07,36,517

PARTICULARS	Amount (₹)	
	As at 31 March, 2012	As at 31 March, 2011
Note: 2.17 Short Terms Loans and Advances		
I Unsecured , considered good		
1 Loan to Companies & Other parties	24,81,12,924	17,73,08,016
2 Advance Income Tax (net of provision for taxation)	7,89,31,247	8,41,08,556
3 Advance Recoverable in cash or in kind or for value to be considered good	8,50,38,198	8,23,24,436
4 Prepaid Expenses	1,51,52,502	2,01,76,457
TOTAL	42,72,34,871	36,39,17,465
Note: 2.18 Other Current Assets		
Miscellaneous Expenditure	7,05,180	7,05,180
TOTAL	7,05,180	7,05,180

Notes Forming Part of the Statement of Profit and Loss

Sr No. PARTICULARS	Amount (₹)	
	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Note : 2.19 Revenue from Operations		
1 Income from Services	1,37,50,67,460	1,13,14,35,738
TOTAL	1,37,50,67,460	1,13,14,35,738
Note : 2.20 Other Income		
1 Miscellaneous Income	25,72,910	49,59,368
2 Net gain on foreign currency transactions/translation	7,76,74,627	-
TOTAL	8,02,47,537	49,59,368
Note : 2.21 Change in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade		
1 Opening Stock of Stock-In-Trade and Work-In-Progress		
Work-In-Progress	20,93,500	55,07,526
Stock-In-Trade	18,14,08,925	-
2 Closing Stock of Stock-In-Trade and Work-In-Progress		
Work-In-Progress	8,85,000	20,93,500
Stock-In-Trade	26,33,45,200	18,14,08,925
TOTAL	(8,07,27,775)	(17,79,94,899)
Note : 2.22 Employee Benefits Expense		
1 Salaries and Incentives	38,33,45,562	34,30,86,608
2 Directors Remuneration	30,00,000	43,50,000
3 Contribution to Provident and Other Funds	1,39,87,643	1,31,80,754
4 Staff Welfare expenses	65,62,715	72,51,198
	40,68,95,920	36,78,68,560
Less: Capitalised	31,23,722	28,50,580
TOTAL	40,37,72,198	36,50,17,980

		Amount (₹)	
Sr No.	PARTICULARS	For the year ended 31 March,2012	For the year ended 31 March,2011
Note :2.23 Finance Costs			
1	Interest Expense	17,54,82,343	15,12,81,479
2	Finance Charges	3,91,63,575	2,21,50,282
3	Other Borrowing Costs	11,06,379	19,86,902
		21,57,52,297	17,54,18,663
4	Less: Interest earned	3,44,25,765	6,24,72,363
	TOTAL	18,13,26,532	11,29,46,300

Note : 2.24 Other Administrative Expenses

1	Advertisement and Sales Promotion	31,58,870	38,72,598
2	Fixed Assets written-off	98,70,969	-
3	Auditors Remuneration (refer note 'a' below)	14,10,706	18,45,303
4	Bad debts written-off	11,77,361	1,84,15,042
5	Bank Charges	26,26,640	18,38,304
6	Commission Expense	35,64,654	49,56,293
7	Communication Expenses	1,08,13,294	1,36,15,781
8	Directors' Sitting Fees	90,000	2,55,000
9	Donation	1,16,91,000	39,004
10	Electricity Expenses	3,19,96,248	2,58,04,709
11	Foreign travel	15,15,631	35,44,721
12	Insurance Expenses	96,55,791	56,17,710
13	Legal & Professional Fees	2,50,04,677	3,68,11,724
14	Loss on sale of Assets	3,76,601	-
15	Miscellaneous Expenses	70,04,877	81,53,034
16	Motor Car Expenses	6,22,898	6,31,151
17	Miscellaneous Expenditure Written off	7,05,180	7,05,180
18	Printing & Stationery Expenses	20,59,928	24,73,171
19	Provision for Doubtful Debts	-	22,89,427
20	Rent Rates & Taxes	6,64,44,030	6,93,26,408
21	Repair & Maintenance	84,33,470	64,42,200
22	Security Expenses	26,47,717	23,92,362
23	Service Charges	22,04,58,375	8,49,09,470
24	Travelling & Conveyance Expenses	1,24,46,290	1,38,04,836
25	Water Charges	13,35,648	8,92,486
26	Taxes	13,09,803	10,56,174
27	Rebates & Discounts	-	1,76,95,852
28	Net loss on foreign currency transaction/translation	-	35,64,387
		43,64,20,656	33,09,52,327
29	Less: Expenses Capitalised	51,69,022	44,17,836
	TOTAL	43,12,51,634	32,65,34,491

a - Payments to the auditors**Payments to the auditors comprises**

1	As Auditors - Statutory Audit	13,51,206	16,57,303
2	For other services -Certification	59,500	1,88,000
	TOTAL	14,10,706	18,45,303

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
Note : 3.1 Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lacs)

PARTICULARS	As at	As at
	31 March,2012	31 March,2012
i) Bank Guarantees issued to Custom authorities & others	8.66	3.75
ii) Appeals filed at different forums/authorities in respect of disputed Income Tax	369.33	185.95
iii) Corporate Guarantee given by the Company in respect of credit limits sanctioned by a bank to a Subsidiary company	996.25	867.15
iv) 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.

Note : 3.2 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.

Note : 3.3 The Company had 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 ₹ NIL remains to be amortised in the "Foreign Currency Monetary Items Translation Reserve Account."

Note : 3.4 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 ₹ 396.20 Lacs is recognised as asset for the Financial Year 2010-2011 in the Balance Sheet.

Note : 3.5 Employee Benefits:

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

Brief description of the Plan :

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

PARTICULARS	(₹ in Lacs)	
	As at 31 March, 2012	As at 31 March, 2011
I. Charged to the Statement of Profit and Loss based on contributions		
Employer's contribution to Provident Fund and other funds	127.64	132.92
II. Disclosures for Defined Benefit Plans based on actuarial report as on March 31, 2012		
A. Change in Defined Benefit Obligation		
	(Non-Funded) Gratuity	
Projected benefit obligations as at the beginning of the year	56.04	68.52
Service Cost	13.09	13.42
Interest cost	4.71	5.82
Past service cost	-	-
Actuarial (gain)/loss on obligation	(7.51)	(26.15)
Benefit Paid	(6.13)	(5.57)
Projected benefit obligations as at the end of the year	<u>60.20</u>	<u>56.04</u>
B. Charged to the Statement of Profit and Loss based on Actuarial valuation		
Current service cost	13.09	13.42
Interest cost	4.71	5.82
Expected Return on Plan Assets	-	-
Net Actuarial gain	(7.51)	(26.15)
Net Periodic cost	<u>10.29</u>	<u>(6.91)</u>
C. Amount recognized in the Balance Sheet:		
Present Value of obligation	60.20	56.04
Present value of Assets	-	-
Liability recognised in Balance Sheet	<u>60.20</u>	<u>56.04</u>
D. Movement in net liability recognized & Disclosed in Balance Sheet		
Net Liability as at the beginning of the year	56.04	68.52
Expenses as above	10.29	(6.91)
Contributions Paid	(6.13)	(5.57)
Net Liability as at the end of the year	<u>60.20</u>	<u>56.04</u>
E. Principal actuarial assumptions used		
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.

Note : 3.6 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any information from all its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. However, as per the information available there are no amounts outstanding for a period beyond the stipulated period as specified under Micro, Small and Medium Enterprises Development Act, 2006.

Note : 3.7 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 licenses. The cost of ₹ 82.93 Lacs (Previous Year ₹ 72.68 Lacs) is capitalized and shown as Intangible assets under the Group Fixed Assets.

Note : 3.8 Few debtors, creditors and loans and advances are subject to confirmation and reconciliation if any.

Note : 3.9 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 (38 Nos.) as on 31st March, 2012 in US \$ 31,00,000 amounting to ₹ 1600.17 lacs.

Note : 3.10 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 ₹ 660.00 Lacs (Previous year ₹ 693.26 Lacs). The future minimum lease payments under non-cancelable operating leases due within a period of one year are estimated at ₹ NIL (Previous year ₹ 25.50 Lacs) and due later than one year but not later than five years are estimated at ₹ NIL. (Previous year ₹ NIL).

Note : 3.11 Additional Information pursuant to the provision of Paragraph B Part II Schedule VI (As Applicable)

PARTICULARS	Value of imports calculated on CIF basis	
	For the year ended 31 March, 2012	(₹ in Lacs) For the year ended 31 March, 2011
Raw Materials, Packing Materials, Components, Spare parts & Capital	1,405.10	1,825.37
Expenditure in foreign currency		
Travelling & Other Expenses	1,326.98	92.44
Earnings in foreign exchange:		
Export Sales	9,575.91	8959.22

Note : 3.12 Payment of Dividend

The Company had declared dividend of ₹ 131.39 lacs in its Annual General Meeting held on 31st December 2011. Due to paucity of funds, the amount could not be transferred to separate Dividend Account within the time limit prescribed u/s. 205(1A) of the Companies Act, 1956. However, the Company has transferred ₹ 46.47 lacs upto 31st March 2012 and ₹ 5.37 lacs thereafter.

Note : 3.13 Earning per share

PARTICULARS		As at 31 March, 2012	As at 31 March, 2011
Basic Earning Per Share			
Net Profit for the year		10,13,50,229	19,46,81,726
Less: Prior Period Income		73,864	10,45,794
Adjusted net profit for the year	A	10,12,76,365	19,36,35,932
Weighted average number of equity shares for basic EPS	B	6,54,47,025	5,85,61,409
Basic Earnings per share - (₹)	A/B	1.55	3.31
Diluted Earning Per Share			
Net Profit for the year	A	10,12,76,365	19,36,35,932
Weighted average number of equity shares for diluted EPS	B	6,54,47,025	5,85,61,409
Add: Weighted average number of potential equity shares on account of convertible debentures/fresh issue	C	1,35,10,000	60,45,000
Weighted average number of shares for diluted EPS	D= (B+C)	7,89,57,025	6,46,06,409
Diluted Earning per share (₹)	A/D	1.28	3.00
Face value per share (₹ 2/- each)			

Note : 3.14 Segment Reporting

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

Note : 3.15 Related party transactions

Description of relationship	Names of related parties
Subsidiary companies	Tricom Document Management Inc. Tricom Infotech Solutions Limited Mastiff Tech Private Limited Tricom I.T. Services Private Limited Tricom LPO Private Limited Pacific Data Centers, Inc. * Tricom Data Services, Inc. * Tricom Software Services, Inc. * Tricom Litigation Coding Services, Inc. * Tricom Search Services, Inc. * Tricom Infotech Solutions, Inc. # Tricom Infotech Solutions (Cyprus) Limited # Grand Imaging & Technology Inc. (formerly known as GTESS- Tricom Corporation) ##
	* - Held through Tricom Document Management Inc. # - Held through Tricom Infotech Solutions Limited ## - Held through Tricom Infotech Solutions Inc.
Executive Director	Mr. Chetan S. Kothari - Managing Director
Non-Executive Directors	Mr. Jayant B. Tanksale** Mr. Hiren Kothari@ Mr. Gautam Berry*** Mr. Baldev Boolani Mr. Vijay Bhatia***** Mr. Rasik Chaturvedi Mr. Gaurav Bhatia*** Mr. Paresh Pathak**** Mr. Hariom Tulsyan*****
Entities having significant influence over the company	Tricom Fruit Products Limited Adilnath Finance Private Limited Trio Mercantile & Trading Limited Manshanti Enterprises Kothari Financial Services

@ Ceased to be Director w.e.f. 31st October, 2012.

** Was Executive Director till 14th February, 2012.

***Ceased to be Director w.e.f. 15th May, 2012.

****Appointed as Director w.e.f. 14th May, 2012.

*****Ceased to be Director w.e.f. 6th January, 2012.

*****Ceased to be Director w.e.f. 4th September, 2012.

Details of related party transactions and balances outstanding as at 31 March, 2012:

(₹ in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Other related parties/Entities having significant influence over the company	Total
Transaction during the year				
Sales	3,827.48 (4,143.95)	- (-)	- (-)	3,827.48 (4,143.95)
Service charges paid	345.00 (-)	- (-)	- (-)	345.00 -
Commission paid	443.88 (-)	- (-)	- (-)	443.88 -
Loans & advances given	151.65 (515.15)	- (-)	- (-)	151.65 (515.15)
Loans & deposits taken	0.90 -	204.63 (163.40)	197.33 (176.61)	402.86 (340.00)
Loans & deposits repaid	0.90 -	204.63 (163.40)	197.33 (176.61)	402.86 (340.00)
Receipt of interest on loan	64.07 (75.13)	- (-)	- (-)	64.07 (75.13)
Payment of interest on loans & deposits	- (-)	- (-)	8.58 (3.82)	8.58 (3.82)
Balances outstanding at the end of the year				
Trade receivables	3,444.20 (2,347.35)	- (-)	- (-)	3,444.20 (2,347.35)
Trade payables	100.00 (-)	- (-)	- (-)	100.00 -
Investment in Shares	9,289.05 (7,927.13)	- (-)	- (-)	9,289.05 (7,927.13)
Loans and Advances given	149.45 (1,119.73)	- (-)	- (13.57)	149.45 (1,133.30)

(Note: Previous year figures are in brackets)

Note : 3.16 Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR **J. L. BHATT & Co.**
 CHARTERED ACCOUNTANTS
 Firm Reg. No.: 101332W

CHETAN KOTHARI
 MANAGING DIRECTOR

PARESH PATHAK
 DIRECTOR

YOGESH J. BHATT
 Partner
 Membership No. : 30170
 Place : Mumbai
 Date : 24th November, 2012

G. T. SHENOY
 COMPANY SECRETARY



TRICOM INDIA LIMITED

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

Attendance Slip

20th Annual General Meeting

To be handed over at the entrance of the Meeting Hall

I/We hereby record my presence at the Annual General Meeting held at School Hall, Damodar Hall Educational Campus, Dr. Ambedkar Marg, Parel Naka , Mumbai -400012 on 31st December, 2012 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, Andheri Kurla Road, Safed Pool, Andheri(East), Mumbai - 400 072.

Proxy Form

20th Annual General Meeting

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 Annual General Meeting of Tricom India Limited to be held on 31st December, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2012.

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

Signature of Proxy.....

Affix Re.1.
Revenue
Stamp

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

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