

A central graphic of a microchip with white pins, set against a dark blue background filled with various white and light blue icons representing technology, such as a laptop, globe, mail, and binary code.

SUCCESSFUL
INTEGRATION

TRICOM INDIA LIMITED
18th Annual Report 2009-10

The Tricom logo, featuring the word "tricom" in a bold, lowercase sans-serif font, with a blue swoosh underline that curves around the letters.

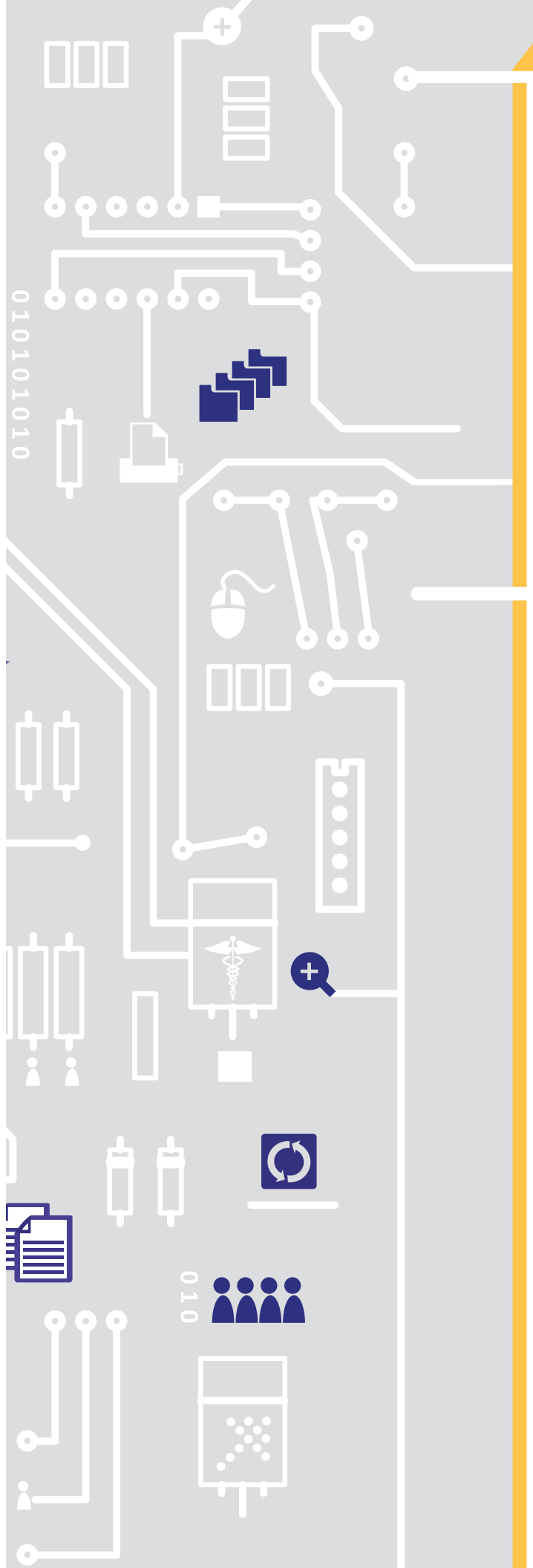
tricom



SUCCESSFUL INTEGRATION

CONTENTS

About Us	03	Balance Sheet	36
Strengths Enhanced	04	Profit & Loss Account	37
Porter's 5 Forces	07	Schedules Forming Part of	
Ushering Scale	08	Balance Sheet	38
From the Managing Director's Desk	12	Balance Sheet Abstract &	
Financials	15	Company's General Business Profile	51
Corporate Information	16	Cash Flow Statement	52
Directors' Report	17	Statement Pursuant to Section 212	
Management Discussion & Analysis	20	of the Companies Act, 1956	
Corporate Governance	24	Relating to Subsidiary Companies	53
Auditor's Report	33	Consolidated Accounts	54



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

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

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

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

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

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



FINANCE
AND BANKING



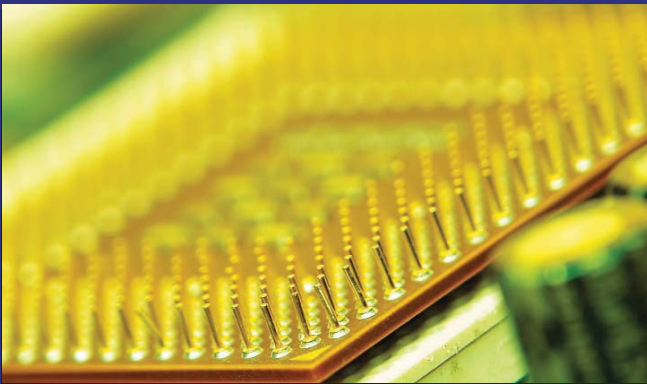
LOGISTICS



IT & SOFTWARE



LEGAL



A CREDIBLE
DECADE OF PRESENCE



TITLE INSURANCE

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

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

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

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

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

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



GENERAL INSURANCE



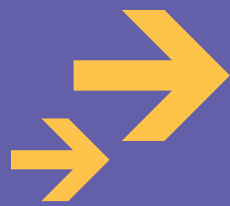
**PHARMACEUTICAL
HEALTHCARE**

ROBUST INFRASTRUCTURE

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

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

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



STRENGTHS ENHANCED

THROUGH INTEGRATION

ONSHORE & OFFSHORE FACILITIES

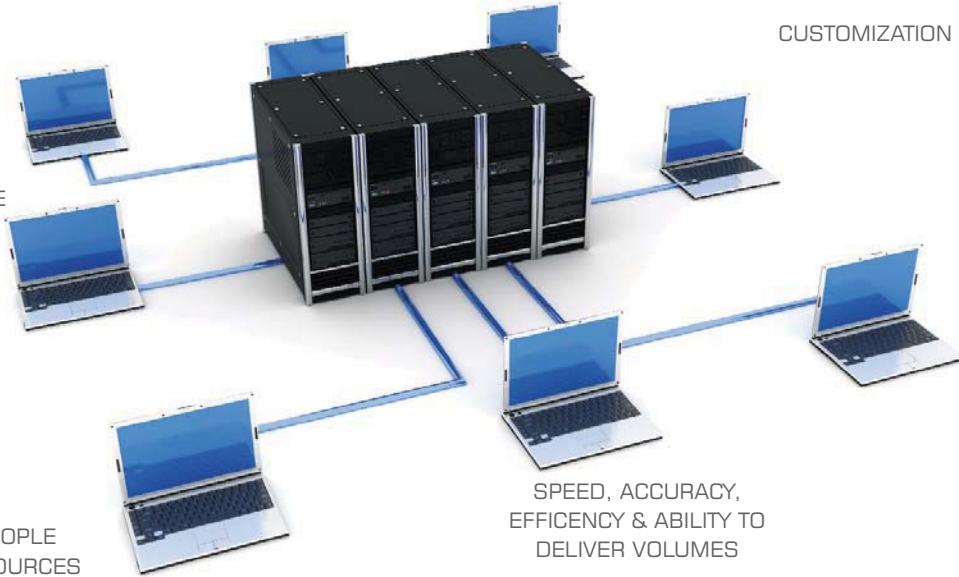
CUSTOMIZATION CAPABILITIES

ROBUST
INFRASTRUCTURE

PEOPLE
RESOURCES

SPEED, ACCURACY,
EFFICIENCY & ABILITY TO
DELIVER VOLUMES

TECHNOLOGY DRIVEN
PRACTICAL
SOLUTIONS



**INTEGRATION OF ASSETS
AND OPERATIONS**





CUSTOMIZATION CAPABILITIES

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

TECHNOLOGY DRIVEN

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

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

VOLUMES WITH ACCURACY

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

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

PEOPLE RESOURCES

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

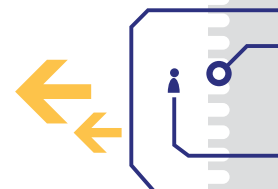
1

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

THREAT OF NEW ENTRANTS
MEDIUM

ANALYZING TRICOM'S BUSINESS MODEL

THROUGH PORTER'S 5 FORCES



2

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

THREAT FROM BARGAINING POWER OF BUYERS
LOW

3

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

THREAT OF SUBSTITUTE
LOW

4

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

BARGAINING POWER OF SUPPLIERS
LOW

5

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

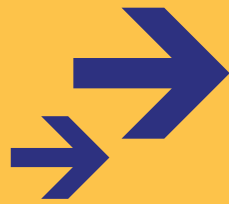
INDUSTRY RIVALRY
MEDIUM

Opportunities in healthcare

HEALTHCARE IN U.S.

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

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



USHERING SCALE THROUGH INTEGRATION

Growing presence in the lucrative
healthcare segment

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

HIPAA regulations to translate into huge off shoring opportunity

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

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

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

costs, which will translate into increased outsourcing.

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

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

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

UK HEALTHCARE MARKET

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

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

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



India an attractive healthcare outsourcing destination

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

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

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

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

*(Source: Zinnov Consulting, Research reports)

Tricom's product portfolio

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

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

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

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



Making significant strides

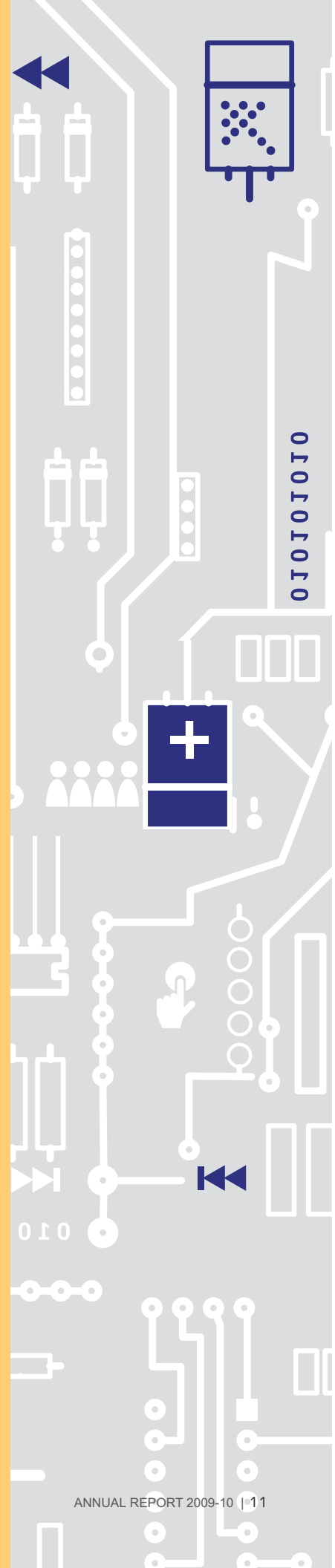
In 2009-10, the year under review, following the successful integration of the healthcare vertical along with enhanced marketing capabilities, the Company has achieved its single largest order in its history.

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

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

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

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



FROM THE
**MANAGING
DIRECTOR'S**
DESK



Dear Shareholders,

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

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

Operational highlights

Operating in niche business segments has always been your

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

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

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

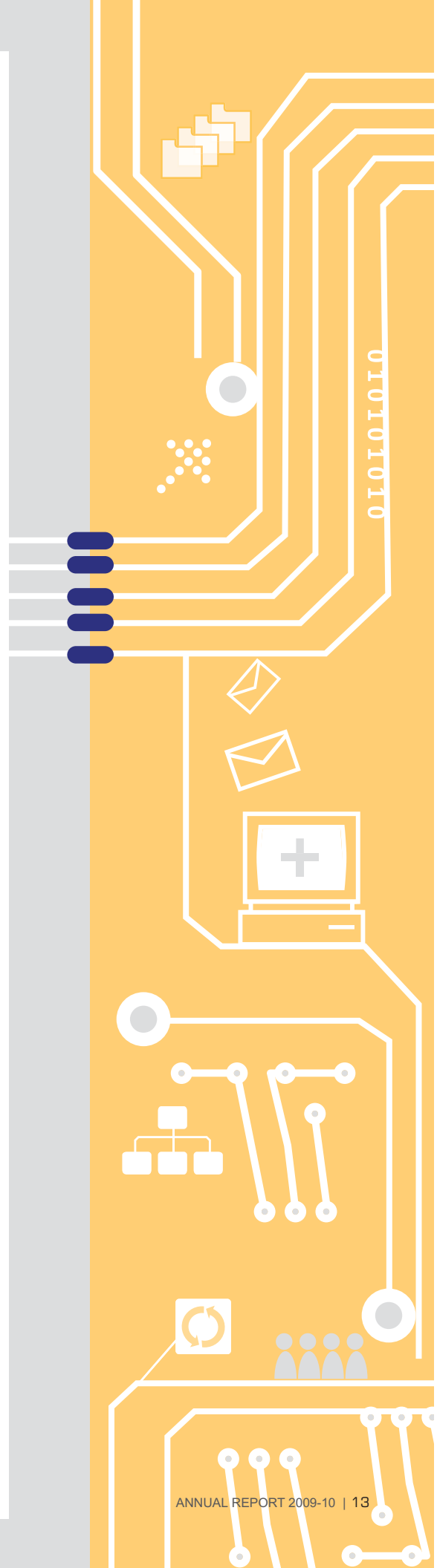
The solutions developed by Tricom are focused on increasing the operating margins and cash flow generation of healthcare clients by deploying most efficient business processes, tried and tested proprietary re-engineering metho-

dologies and technology enabled automation.

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



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





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



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

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

OTHER BUSINESS DEVELOPMENTS

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

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

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

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

HUMAN RESOURCES

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

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

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

FUTURE OUTLOOK

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

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

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

Thank you for your time and continued support.

Chetan Kothari
Managing Director

FINANCIALS

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

Note: The figures have been regrouped wherever necessary.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

OPERATING COMMITTEE

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

COMPANY SECRETARY

G.T.SHENYOY

BANKERS

STATE BANK OF INDIA
ICICI BANK LIMITED

AUDITORS

J. L. BHATT & CO.
CHARTERED ACCOUNTANTS

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

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

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

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL RESULTS

(Rs. In Lacs)

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

OPERATIONAL PERFORMANCE

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

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

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

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

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

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

DIVIDEND

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

EMPLOYEES' STOCK OPTION SCHEME

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

SUBSIDIARY COMPANIES

As on 31st March, 2010, the Company has the following subsidiaries:

Domestic subsidiaries

Tricom Infotech Solutions Limited,

Foreign subsidiaries

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

PARTICULARS IN TERMS OF SECTION 212 OF THE COMPANIES ACT

In terms of the approval received from the Central Government vide their letter dated 25th August, 2010 under Section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries have not been attached with the Balance Sheet of the Company. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements of the Company and its subsidiaries for the year ended March 31, 2010, together with reports of Auditors thereon and the statement pursuant to Section 212 of the Companies Act, 1956, are attached. The financial statements of subsidiaries will be available on a request made by any member of the Company and will also be available for inspection by any member at the registered/head office of the Company and that of the subsidiary concerned.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

DIRECTORS

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

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

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

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

AUDITORS

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

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

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

HUMAN RESOURCES

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board,

PLACE: MUMBAI
DATE : 25th August, 2010

B.L.BOOLANI
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

Macro economic overview

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

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

Industry structure, overview & developments

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

Market segmentation of Indian IT and ITeS

(Rs in crores)

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

(*Projected)

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

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

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

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

Advantages of outsourcing

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

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

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

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

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

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

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

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

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

India advantage

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

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

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

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

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

Threats, Risks and Concerns

US backlash against the industry

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

Shortage of manpower

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

Integration of acquired entities

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

Currency fluctuation

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

Competition from large players

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

Data security

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

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

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

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

Competition from other countries

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

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

Risk management

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

Future outlook

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

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

Human resources

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

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

Internal control systems

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

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

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

Cautionary statement

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

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

1. BOARD OF DIRECTORS

a. Composition:

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

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

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

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

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

** Ceases to be a director from 29th May, 2010.

@ appointed as a director w.e.f 30th January,2010.

b. Details of Meetings Held:

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

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

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

* Ceases to be a director from 29th May, 2010.

@ Appointed as a director w.e.f 30th January, 2010.

c. Board Procedure:

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

2. AUDIT COMMITTEE

a. Composition:

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

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

The composition of the Audit Committee is as follows:

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

*Ceased to be a Member of the Audit Committee from 30th January, 2010.

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

b. Details of Meetings held:

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

c. Terms of Reference:

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

3. REMUNERATION COMMITTEE

a. Composition:

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

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

*Ceased to be a Member of the Remuneration Committee from 29th May, 2010.

b. Details of Meetings Held:

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

c. Terms of Reference:

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

d. Remuneration to the Executive Director:

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

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

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

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

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

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

Period of Contract:

Managing Director - Three Years

Executive Director - Two Years

Notice Period:

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

Severance Fees:

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

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

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

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

4. SHAREHOLDERS' & INVESTORS' GRIEVANCE COMMITTEE

a. Composition:

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

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. Details of meetings held:

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

c. Terms of Reference:

The Committee normally deals with various matters relating to :

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

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

d. Compliance Officer:

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

5. SHAREHOLDER INFORMATION

a. Next Annual General Meeting:

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

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

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

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

c. Book Closure:

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

d. Dividend Payment:

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

Dividend to be paid in physical form:

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

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

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

e. Listing on Stock Exchanges:

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

f. 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: INE771B01024.

g. General Body Meetings
Annual General Meetings

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

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

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

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

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

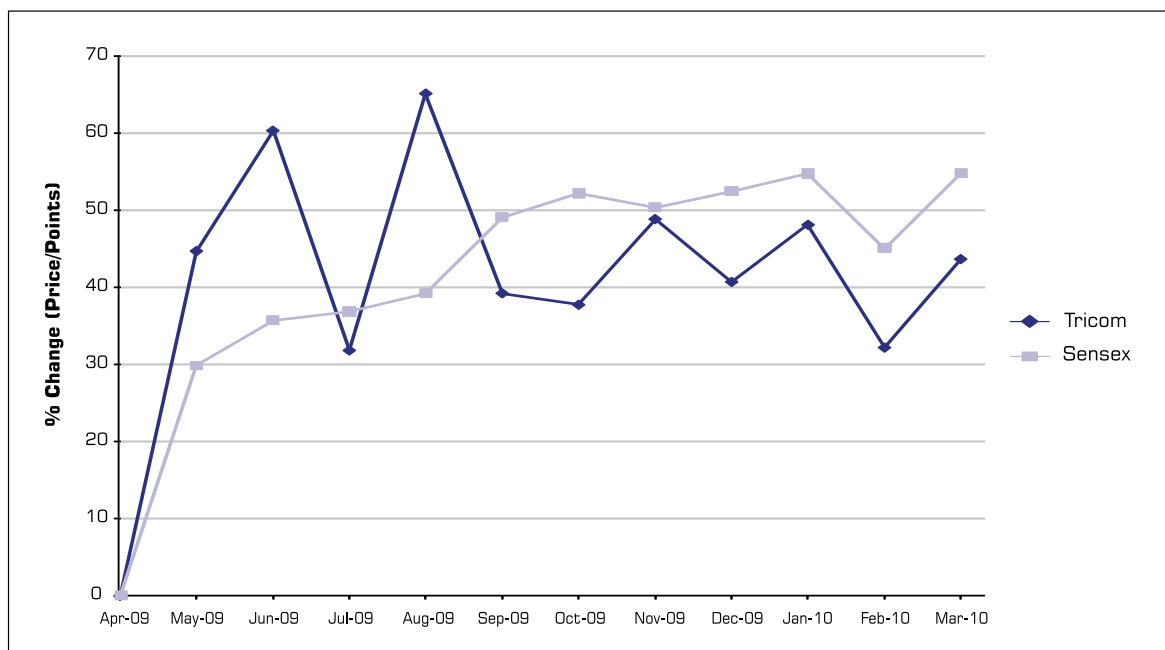
Particulars	No. of Shares Held	% of Shares Held
Physical Form	498150	0.85
Demat Form	57902300	99.15
Total	58400450	100.00

i. Market Price Data:

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

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

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



k. Distribution of Shareholding as on 31st March,2010:

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

l. Share Transfer Procedure:

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

m. Registrar and Transfer Agents:

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

n. Means of Communication:

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

o. Compliance with Other Mandatory Requirements:

i. Management Discussion and Analysis:

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

ii. Subsidiaries:

Company has no material non-listed Indian subsidiary.

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

iii. Other Disclosures

a. Related Party Transactions

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

b. No Penalty or Strictures

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

c. Disclosure of Accounting Treatment

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

d. Risk Management

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

e. Code of Conduct

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

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

Chetan Kothari
Managing Director.

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

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

q. Compliance with Non- Mandatory Requirements:

i. Chairman of the Board:

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

ii. Remuneration Committee:

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

iii. Shareholder Rights:

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

iv. Whistle Blower Policy:

The Company has no whistle Blower policy as of today.

v. Other Non Mandatory requirements:

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

r. Registered Office of the Company

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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Tricom India Limited

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

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

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

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

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

FOR J.L.BHATT & CO.
CHARTERED ACCOUNTANTS

YOGESH BHATT
PARTNER
M.No.30170

Place: Mumbai
Date: 25th August, 2010

AUDITOR'S REPORT

To,
The Members,
Tricom India Limited,

1. We have audited the attached Balance Sheet of Tricom India Limited, as at March 31, 2010 and the related Profit and Loss Account for the year ended on that date, annexed thereto and Cash flow statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the annexure a statements on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those Books.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in the agreement with the books of accounts.
 - d) In our opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Act;
 - e) On the basis of written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the director of the Company is disqualified as on March 31, 2010 from being appointed as director in terms of Section 274 (1)(g) of the Act;

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

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

YOGESH BHATT
PARTNER
Membership No. 30170

Place : Mumbai
Date : May 29, 2010

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

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

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

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

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

YOGESH BHATT
PARTNER
Membership No. 30170

Place : Mumbai
Date : May 29, 2010

BALANCE SHEET AS AT MARCH 31, 2010

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
CHARTERED ACCOUNTANTS

CHETAN KOTHARI
MANAGING DIRECTOR

HIREN KOTHARI
DIRECTOR

YOGESH BHATT
PARTNER
(M.No.30170)

JAYANT TANKSALE
EXECUTIVE DIRECTOR-
OPERATIONS

G.T.SHENOY
COMPANY SECRETARY

PLACE : MUMBAI
DATE : 29th May, 2010

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

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
 CHARTERED ACCOUNTANTS

CHETAN KOTHARI
 MANAGING DIRECTOR

HIREN KOTHARI
 DIRECTOR

YOGESH BHATT
 PARTNER
 (M.No.30170)

JAYANT TANKSALE
 EXECUTIVE DIRECTOR-
 OPERATIONS

G.T.SHENOY
 COMPANY SECRETARY

 PLACE : MUMBAI
 DATE : 29th May, 2010

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE : E FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at 1-Apr-09	Additions for the year	Deductions	As at 31-Mar-10	For the Year	Deductions	As at 31-Mar-10	As at 31-Mar-09
TANGIBLE ASSETS								
AIR CONDITIONERS	3,823,900	-	-	3,823,900	181,640	-	3,216,144	3,397,784
COMPUTERS	105,920,352	6,297,872	-	112,218,224	12,621,235	-	40,321,842	46,645,205
ELECTRICAL INSTALLATIONS	11,267,520	-	334,445	10,933,075	519,316	334,445	8,853,248	9,372,564
FAX MACHINE	11,055	-	-	11,055	527	-	8,077	8,604
FURNITURE & FIXTURES	48,715,671	1,330	7,498,201	41,218,800	2,609,173	7,498,201	32,009,316	34,617,159
OFFICE EQUIPMENTS	2,626,365	-	-	2,626,365	124,757	-	2,027,054	2,151,811
MOTOR CARS	8,465,666	1,527,513	540,222	9,452,957	438,650	186,910	7,265,328	6,529,777
TELEPHONE INSTALLATIONS	303,808	-	-	303,808	14,431	-	233,401	247,832
INTANGIBLE ASSETS								
SOFTWARE PURCHASED	32,260,770	92,344,000	-	124,604,770	5,362,709	-	111,649,157	24,667,866
SOFTWARE DEVELOPMENT *(Refer Note 12 of Schedule P)	47,513,040	7,639,859	-	55,152,899	14,955,183	-	35,115,690	42,431,014
Total	260,908,147	107,810,574	8,372,868	360,345,853	36,827,621	8,019,556	119,646,597	170,069,615
Previous Year	201,571,031	69,305,040	9,967,924	260,908,147	31,928,070	1,412,146	170,069,614	116,816,396

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES TO PROFIT & LOSS ACCOUNT

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

SCHEDULES TO PROFIT & LOSS ACCOUNT

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

SCHEDULE – 0

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of Financial Statement

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

2) Use of Estimates

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

3) Revenue Recognition

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

4) Fixed Asset, Depreciation and Amortisation

(a) Fixed Assets

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

(b) Method of Depreciation

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

5) Investments

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

6) Foreign Currency Transactions

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

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

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

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

7) Retiring Benefits

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

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

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

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

8) Income Tax

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

9) Inventory

Work in Progress is valued at cost.

10) Software

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

11) Earning per Share

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

12) Contingent Liability

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

13) Leases

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

14) Deferred Tax

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

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

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

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

SCHEDULE : P

NOTES FORMING PART OF ACCOUNTS

1) CONTINGENT LIABILITY

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

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

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

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

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

5) Security for Secured Loans

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

6) Employee Benefits

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

Brief description of the Plan

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

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

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

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

A. Change in Defined Benefit Obligation

	(Non-Funded) Gratuity	
	As at March 31, 2010	As at March 31, 2009
	Rs.in Lacs	Rs.in Lacs
Projected benefit obligations as at the beginning of the year	55.05	34.95
Service Cost	12.99	15.23
Interest cost	4.68	2.62
Past service cost	-	-
Actuarial (gain)/loss on obligation	(9.71)	2.79
Benefit Paid	(2.28)	(0.54)
Projected benefit obligations as at the end of the year	60.73	55.05

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

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

C. Amount recognized in the Balance Sheet

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

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

	(Non-Funded) Gratuity	
	As at March 31, 2010	As at March 31, 2009
	Rs.in Lacs	Rs.in Lacs
Net Liability as at the beginning of the year	55.05	34.95
Expenses as above	7.96	20.64
Contributions Paid	(2.28)	(0.54)
Net Liability as at the end of the year	60.73	55.05

E. Principal actuarial assumptions used

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

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

7) Remuneration & Perquisite to Managing Director & Executive Directors

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

(Rs .in Lacs)

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

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

(Rs. in Lacs)

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

- c) Employee Stock Options (ESOP) to Directors

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

8) Auditors Remuneration

(Rs. In Lacs)

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

9) Deferred Tax

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

(Rs. in Lacs)

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

10) Amount due to Micro, Small and Medium Enterprises

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

11) Employee's Stock Option Scheme

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

Details of Option Granted and Lapsed

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

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

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

12) Intangible Assets

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

13) Capital Work in Progress

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

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

15) Financial Instruments

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

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

16) Operating lease

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

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

(Rs. In Lacs)

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

18) Remittance of Dividend in Foreign Currency

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

19) Earnings Per Share

(Rs. In Lacs)

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

20) Segment Reporting

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

21) Related Party Disclosure

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

RELATED PARTIES

a. Subsidiary Companies:

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

b. Executive Directors:

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

c. Non-Executive directors:

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

d. Entities having significant influence over the Company:

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

TRANSACTIONS:

(Rupees in Lacs)

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

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

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
CHARTERED ACCOUNTANTS

CHETAN KOTHARI
MANAGING DIRECTOR

HIREN KOTHARI
DIRECTOR

YOGESH BHATT
PARTNER
(M. No. 30170)

JAYANT TANKSALE
EXECUTIVE DIRECTOR-
OPERATIONS

G.T.SHENOY
COMPANY SECRETARY

PLACE : MUMBAI
DATE : 29th May, 2010

BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE

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

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
CHARTERED ACCOUNTANTS

CHETAN KOTHARI
MANAGING DIRECTOR

HIREN KOTHARI
DIRECTOR

YOGESH BHATT
PARTNER
(M.No.30170)

JAYANT TANKSALE
EXECUTIVE DIRECTOR-
OPERATIONS

G.T.SHENOY
COMPANY SECRETARY

PLACE : MUMBAI
DATE : 29th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Rupees in Lacs)

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

AUDITOR'S CERTIFICATE

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

AS PER OUR REPORT OF EVEN DATE

FOR J.L. BHATT & CO.

Chartered Accountants

YOGESH BHATT

PARTNER

(M.No. 30170)

PLACE: MUMBAI

DATE : 29th May, 2010

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI

MANAGING DIRECTOR

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

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

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

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

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

AS PER OUR REPORT OF EVEN DATE

FOR J.L. BHATT & CO.
CHARTERED ACCOUNTANTS

YOGESH BHATT
PARTNER
(M.No.30170)

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI
MANAGING DIRECTOR

JAYANT TANKSALE
EXECUTIVE DIRECTOR-
OPERATIONS

HIREN KOTHARI
DIRECTOR

G.T.SHENOY
COMPANY SECRETARY

PLACE : MUMBAI
DATE : 29th May, 2010

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors.

Tricom India Limited.

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

For J. L. BHATT & CO.
Chartered Accountants

YOGESH BHATT.
Partner
Membership No. 30170

Place : Mumbai
Date : 29th May '2010.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
 CHARTERED ACCOUNTANTS

CHETAN KOTHARI
 MANAGING DIRECTOR

HIREN KOTHARI
 DIRECTOR

YOGESH BHATT
 PARTNER
 (M.No.30170)

JAYANT TANKSALE
 EXECUTIVE DIRECTOR-
 OPERATIONS

G.T.SHENOY
 COMPANY SECRETARY

 PLACE : MUMBAI
 DATE : 29th May, 2010

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

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
CHARTERED ACCOUNTANTS

CHETAN KOTHARI
MANAGING DIRECTOR

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JAYANT TANKSALE
EXECUTIVE DIRECTOR-
OPERATIONS

G.T.SHENOY
COMPANY SECRETARY

PLACE : MUMBAI
DATE : 29th May, 2010

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES FORMING PART OF BALANCE SHEET

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

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

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	As at 1-Apr-09	Additions during the Year	Deductions	As at 31-Mar-10	As at 1-Apr-09	For the Period	Deductions	As at 31-Mar-10	As at 31-Mar-09
TANGIBLE ASSETS									
AIR CONDITIONERS	3,823,900	-	-	3,823,900	426,115	181,640	-	607,755	3,397,785
COMPUTERS	121,432,713	6,297,872	9,220,250	118,510,335	72,990,695	13,940,803	9,220,250	77,711,248	48,442,018
ELECTRICAL INSTALLATIONS	11,267,520	-	334,444	10,933,076	1,894,956	519,316	334,445	2,079,827	9,372,564
FAX MACHINE	11,055	-	-	11,055	2,451	527	-	2,978	8,604
FURNITURE & FIXTURES	48,901,885	252,299	7,498,201	41,655,983	14,228,810	2,698,247	7,498,201	9,428,856	34,673,075
OFFICE EQUIPMENTS	13,253,643	8,680	-	13,262,323	9,352,692	1,096,057	-	10,448,748	3,900,951
MOTOR CARS	10,229,764	2,038,463	540,222	11,728,005	2,817,650	814,984	186,910	3,445,724	7,412,115
TELEPHONE INSTALLATIONS	303,808	-	-	303,808	55,975	14,431	-	70,406	247,833
LEASEHOLD IMPROVEMENTS	2,035,412	-	-	2,035,412	1,875,310	108,271	-	1,983,582	160,102
STORAGE BINS	95,649	-	-	95,649	27,506	22,707	-	50,212	68,143
INTANGIBLE ASSETS									
GOODWILL*	328,341,217	85,339,773	-	413,680,990	1,859,218	-	-	1,859,218	326,481,999
CUSTOMER RELATED INTANGIBLES	28,487,029	-	-	28,487,029	28,487,029	-	-	28,487,029	-
SOFTWARE PURCHASED	46,079,472	133,352,132	-	179,431,604	18,172,587	13,661,568	-	31,834,156	27,906,885
SOFTWARE DEVELOPMENT @ (Refer Note 9 of Schedule P)	47,513,040	7,639,859	-	55,152,899	5,082,027	14,955,183	-	20,037,210	42,431,013
Total	661,776,107	234,929,079	17,593,117	879,112,068	157,272,996	48,013,734	17,239,806	188,046,949	504,503,086
Previous Year	493,895,990	219,728,462	51,848,345	661,776,107	146,234,244	53,120,866	42,082,114	157,272,996	195,789,316

*Goodwill includes Goodwill on Consolidation Rs. 151,704.840/-

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES FORMING PART OF BALANCE SHEET

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

SCHEDULES TO PROFIT & LOSS ACCOUNT

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

SCHEDULES TO PROFIT & LOSS ACCOUNT

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

Significant Accounting Policies and Notes on Accounts

SCHEDULE – 0

SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of Financial Statement

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

2) Basis of Consolidation

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

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

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

3) Revenue Recognition

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

income is accounted for when right to receive is established.

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

(a) Fixed Assets:

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

(b) Method of Depreciation:

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

5) Investments :

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

6) Foreign Currency Transactions:

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

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

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

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

7) Foreign Subsidiary Translation :

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

8) Retiring Benefits:

(a) Defined Contribution Plan :

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

(b) Defined Benefit Plan :

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

9) Taxation

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

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

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

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

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

10) Inventory:

Work in Progress is valued at cost.

11) Software:

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

12) Earning per Share :

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

13) Contingent Liability :

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

14) Leases:

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

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

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

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

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

SCHEDULE : P

NOTES FORMING PART OF ACCOUNTS

1) Contingent Liability

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

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

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

3) Security for Secured Loans

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

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

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

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

6) Retirement benefits

i. Defined Contribution Plans:

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

ii. Defined Benefit Plans:

a) General Descriptions of defined plans (Gratuity Plan)

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

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

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

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

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

d) Movement in net liability recognized in Balance Sheet

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

e) Actuarial Assumptions

ECONOMIC ASSUMPTIONS:

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

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

DEMOGRAPHIC ASSUMPTIONS:

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

7) Remuneration & Perquisite to Managing Directors & Executive Directors

Managerial Remuneration paid:

(Rs.in Lacs)

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

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

8) Employee's Stock Option Scheme:

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

Details of Option Granted and Lapsed

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

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

9) Intangible Assets

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

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

11) Earnings Per Share

(Rs. in Lacs)

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

12) Related Party Disclosure:

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

RELATED PARTIES

- a. Subsidiary Companies :
 - i. Tricom Document Management Inc.
 - ii. Tricom Infotech Solutions Limited
 - iii. Pacific Data Centers, Inc.*

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

* Held through Tricom Document Management Inc.

Held through Tricom Infotech Solutions Ltd.

Held through Tricom Infotech Solutions (Cyprus) Limited

- b. Executive Directors:
 - i. Mr. Chetan S. Kothari - Managing Director
 - ii. Mr. Jayant B. Tanksale – Executive Director – Operations
 - iii. Mr. Sameer Sheth – Director
 - iv. Mr. Sanjay Tipnis – Managing Director
- c. Non-Executive Directors
 - i. Mr. Shailesh Bathiya
 - ii. Mr. Gautam Berry
 - iii. Mr. Hariom Tulsyan
 - iv. Mr. Baldev Boolani
 - v. Mr. Anil Bakshi
 - vi. Mr. Rasik Chaturvedi
- d. Entities having significant influence over the Company;
 - i. Tricom Agrochem Limited
 - ii. Adilnath Finance Private Limited
 - iii. Trio Mercantile & Trading Limited

TRANSACTIONS:

(Rupees in Lacs)

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

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

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

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR J.L. BHATT & CO.
 CHARTERED ACCOUNTANTS

CHETAN KOTHARI
 MANAGING DIRECTOR

HIREN KOTHARI
 DIRECTOR

YOGESH BHATT
 PARTNER
 (M.No.30170)

JAYANT TANKSALE
 EXECUTIVE DIRECTOR-
 OPERATIONS

G.T.SHENOY
 COMPANY SECRETARY

 PLACE : MUMBAI
 DATE : 29th May, 2010

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

(Rs.in Lacs)

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

AUDITOR'S CERTIFICATE

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

AS PER OUR REPORT OF EVEN DATE

FOR J.L. BHATT & CO.

Chartered Accountants

YOGESH BHATT

PARTNER

(M.No.30170)

PLACE: MUMBAI

DATE : 29th May, 2010

FOR AND ON BEHALF OF THE BOARD

CHETAN KOTHARI

MANAGING DIRECTOR

Notes

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Notes

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Forward-Looking Statement

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

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



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