





15th ANNUAL REPORT 2002-2003



Ahmedabad

Telephone Directory with Yellow Pages



Celebrating 15 Eventful Years of Service !

Sub : Telephone Directory With Indiacom Yellow Pages for Ahmedabad

Cheers Ahmedabad !!!
Greetings from Indiacom.....

We have special news for Ahmedawadis to further boost the cheerful mood, which you are enjoying, thanks to the good monsoon, festive season and booming Share market....

BSNL has recently awarded Indiacom Limited the prestigious contract for publishing the Telephone Directory with Indiacom Yellow Pages for Ahmedabad for the period of 5 years. Both BSNL and Indiacom have decided to work jointly to bring out the first issue during December 2003 itself.

The important features and benefits of the first edition are as follows: -

- This is the only Yellow Pages in Ahmedabad attached with the OFFICIAL Telephone Directory.



Pune Telephone Yellow Pages CD-ROM

Sub : Reach Professionals & Businessmen in TWO RUPEES ONLY

Dear Sir / Madam,

Greetings from IndiaCom.....

Indiacom has been publishing up-dated Pune Telephone Directory alongwith Pune Yellow Pages on the CD-ROM for each quarter of the year since January 2002.

There has been an overwhelming response to the CD-ROM. The considerable rise in the circulation from 1000 nos. initially to 1700 nos. has given us a greater confidence to open this sphere to our customers. The analysis of the users state that the technology savvy professionals & the businessmen are the major users, as they value the convenience of usage and saving in time & efforts for all the needs.

To reach to this select audience YOU too can avail the opportunity. **Place your banner advt. on the CD-ROM at Rs. 3500/- only.** for all the quarter of the year & promote your brand & company name.

60,000 + Satisfied Customers...

INDIACOM LIMITED**BOARD OF DIRECTORS**

Mr. Natalino Duo	Chairman
Mr. Abhey Yograj	Director
Dr. Madanmohan Rao	Director
Mr. Ashok Mandore	Managing Director
Mr. V. Srinivasa Rao	Whole Time Director & Company Secretary

AUDITORS

M/s Patankar & Associates
Anand, 38/1, Prabhat Road,
Pune - 411 004.

BANKERS

Canara Bank
Citibank N.A.

REGISTERED OFFICE

Hermes Heritage Phase 1, Shastri Nagar,
Pune-Nagar Road,
Pune - 411 006.
Telephone (020) 661 6601

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka, Andheri (E)
Mumbai - 400 072.
Telephone : (022) 28523474

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ANNUAL REPORT 2002-2003**DIRECTORS' REPORT**

To the Members of
INDIACOM LIMITED

Your Directors take pleasure in presenting to you their Fifteenth Annual Report together with the Audited Statements of Accounts for the Financial Year ended 31st March 2003.

1. FINANCIAL RESULTS

	2002-03	2001-02
	(Rs in lakhs)	
Turnover & Other Income	1683.81	2237.74
Gross Profit/(Loss) before Interest and Depreciation	21.73	196.59
Less: Interest	56.49	70.98
Profit/(Loss) Before Depreciation	(34.76)	125.61
Less: Depreciation for the year		
a) Web Portal	103.98	4.33
b) Others	24.64	20.21
Profit/(Loss) Before Taxation	(163.38)	101.07
Taxation		
a) Current Tax	-	20.00
b) Deferred Tax (Credit)/Charge	(59.23)	20.11
c) Prior Period	4.42	(0.88)
Profit / (loss) for the year	(108.57)	61.84
Less : Accumulated Deferred Tax Liability as on 01-04-2001	-	10.17
Add: Profit/(Loss) brought forward from previous year	1.17	(50.50)
Balance Profit/(Loss) Carried to Balance Sheet	(107.40)	1.17

2. OPERATIONS

The Company's operations are now spread over 20 locations, but the focus is on exploiting full potential of the strategic markets. In addition to published directories, all the Company's publications are made available in electronic form, on the CD & also hosted on the portals www.IndiaReference.Com and www.Indiacom.Com. The traffic on Company's 'Online Yellow Pages' portals are continuing to grow steadily.

The company recorded turnover of Rs.1683 lakhs for the financial year 2002-03. This represents a decrease of 25% over previous year's turnover of Rs.2238 lakhs. The loss after all adjustments is Rs.109 lakhs as against the profit of Rs.62 lakhs for previous financial year. Reduction in the turnover was mainly caused as a result of delay in the publication dates of some Directories, due to unforeseen circumstances and non-finalization of a major contract in the pipeline. The operating profits declined because of the decrease in turnover and also on account of charge off 1/3rd cost (amounting to Rs.104 Lakhs) of Yellow Pages portal without commensurate revenue. The full effect of the steps initiated by the company to focus on and consolidate Company's position in the strategic market will be reflected in the forthcoming years.

During the year the company reached an out of court settlement in respect of a pending dispute with a major Telecom District in the country. Under the terms and conditions of the settlement, inter alia, both parties shall withdraw all cases and forgo claims against each other and further the Telecom District would award a five year contract to the company for publication of Telephone Directory with Yellow Pages. Since the settlement is in the process of implementation, necessary adjustment/entries in the financial account would be made in the year when the settlement is fully implemented.

Leveraging on the database and customer contacts, the preparatory work for launching 'Tele Info Services' continued and the service was test launched successfully during the year.

3. DIVIDEND

In view of the loss incurred during the year, your Directors regret their inability to recommend any dividend for the Financial year 2002-03.

4. FUTURE OUTLOOK:

Your company's growth is, to a considerable extent influenced by the growth in the Telecom Sector. While there has been a phenomenal growth in mobile phones, the growth in basic landlines in the cities has slowed down. Telecom tariffs are undergoing revision frequently and several issues are raised by the Telecom operators before the regulatory authority which are yet to be resolved. Under these circumstances, while the general increase in the tele-density augurs well for the use of Yellow Pages and growth of Yellow Pages market in the Country, the unresolved issues come in the way of optimum utilization/exploitation of opportunities. With the policy followed by your company of focussing on key markets, significant addition to profitability from the directory business can come from new contracts on viable terms and or new

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Publications / Services. Therefore, efforts are underway to increase revenue from strategic markets and by the addition of new Publications / Services.

With the present low level of PC penetration and accessibility of information through Electronic Media in the country, it would be difficult to generate sizeable revenue from the portal / On Line Yellow Pages. Though the revenue from these new services will be marginal in the beginning and may not cover the entire cost of operations and amortization of the expenses initially incurred, your directors feel that it is prudent to pursue these services considering the expected increase in the PC penetrations, gradual change in the habits of information accessing and consequent revenue potential from the new service.

5. EQUITY CAPITAL :

There was no change in the paid up and issued equity share capital of the company during the year under report. The equity shares of the company are listed on OTC Exchange of India, 92 Maker Towers, 'F' Cuffe Parade, Mumbai 400 005. The annual listing fees for the financial year 2003-04 have been paid by the company.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956 are given in Annexure A, which forms a part of this Report.

7. PARTICULARS OF EMPLOYEES :

There are no employees drawing salary more than the amount prescribed under Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975, as amended.

8. FIXED DEPOSIT :

As on 31st March 2003, the company held Rs. 24.61 lakhs on Non-Cumulative and Cumulative Fixed Deposit Account and Rs. 0.45 lakhs deposits matured and remained as unclaimed.

9. DIRECTORS :

Mr. Deepak Shourie resigned as Director of the Company on 19th November 2002. The Directors place on record their appreciation for his association with the Company and his contribution as a Board Member.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Abhey Yograaj will retire by rotation and being eligible offers himself for re-appointment. Necessary resolution on his behalf is being placed before the members for their approval.

10. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of the Companies Act, 1956, the Directors affirm that, they have:

1. Followed, in preparation of annual accounts, the applicable accounting standards.
2. Selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent for reflecting a true and fair view of the state of affairs of the Company at the end of the financial year and of the result for the year.
3. Taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 to safeguard assets of the Company and prevent frauds and irregularities.
4. Prepared the annual accounts on a going concern basis.

11. REPORT ON CORPORATE GOVERNANCE:

As per the guidelines received from the Securities and Exchange Board of India and the OTC Exchange of India, the report on Corporate Governance annexed herewith forms part of the Directors' Report.

Further the Management Discussion and Analysis Report prescribed under the Listing Agreement is annexed herewith and forms part of the Directors' Report.

12. AUDITORS:-

M/s. Patankar & Associates, statutory auditors hold office upto the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The company has received confirmation from the Auditors to the effect that the re-appointment will be within the limits prescribed by Section 224 (1B) of the Companies Act, 1956.

13. ACKNOWLEDGEMENTS:

The Directors place on record their appreciation for the support extended to the company by the Bankers & its customers. The Directors compliment the employees for supporting management's efforts in strengthening Company's standing in key markets.

For and on behalf of the Board of Directors

Date: 14/05/2003

Natalino Duo
Chairman

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ANNEXURE A TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with the Companies (Disclosures of Particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2003.

(A) CONSERVATION OF ENERGY

The activities of the Company being in the nature of services, there is no significant consumption of energy.

(B) TECHNOLOGY ABSORPTION

Not applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings during the period under report was Rs. NIL

Foreign Exchange outgo was Rs. 1.86 lakhs.

For and on behalf of the Board of Directors

Date: 14/05/2003

Natalino Duo
Chairman



CORPORATE GOVERNANCE

1. **Company's Philosophy on Code of Corporate Governance:**

The Company's philosophy on Corporate Governance relates to providing optimum service to all its stakeholders. Company desires to enhance its shareholders' value with the best practices of corporate governance. The standard of corporate governance is maintained by being transparent, accountable and interaction with shareholders, employees, banks, government agencies and its customers. Since Indiacom Limited believes in the implementation of Corporate Governance it has initiated several measures for compliance with Corporate Governance.

2. **Board of Directors:**

The Board of Directors consists of 5 Directors

Composition and Category of Board of Directors is as follows:

The constitution of the Board of Directors as on 31st March 2003

Name of Directors	Category
Mr. Natalino Duo	Non-executive Chairman & Independent Director
Mr. Abhey Yograj	Non-executive Director & Independent Director
Dr. Madanmohan Rao	Non-executive Director & Independent Director
Mr. Ashok Mandore	Managing Director
Mr. V Srinivasa Rao	Whole-time Director and Company Secretary

Attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies:

Name of Director	Attendance Particulars		No of other Directorships in Public Limited Companies and Committee Member/Chairmanship		
	Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Natalino Duo	5	Yes	Nil	Nil	Nil
Mr. Abhey Yograj	Nil	No	5	1	1
Dr. Madanmohan Rao	2	Yes	Nil	Nil	Nil
* Mr. Deepak Shourie	1	No	Nil	Nil	Nil
Mr. Ashok Mandore	6	Yes	Nil	Nil	Nil
Mr. V Srinivasa Rao	6	Yes	Nil	Nil	Nil

* Resigned as Director w.e.f. 19th November 2002

Number of Board Meetings held and the dates on which held: Six Board Meetings were held during the year under report on 22nd June 2002, 31st July 2002, 4th September 2002, 30th September 2002, 31st October 2002 and 29th January 2003.

3. **Information supplied to the Board**

Following information was provided to the Board as part of the agenda papers in advance of the Board Meeting or presented at the time of the Board Meeting:

- Analysis of Operations
- Annual Budget
- Quarterly Results of the Company with project details.
- Quarterly Analysis of Budget v/s. Actuals and revised estimates.
- Provisional Accounts of the Company.
- Minutes of meetings of the Audit Committee and other Committee.
- Materially important notices from various authorities.
- Any materially relevant default in financial obligations to and by the company or substantial non-payment for goods sold by the company.
- Material details about litigation or court cases by or against the company.

4. **Audit Committee**

The Board of the company had constituted an Audit Committee on 30th September 2002 comprising of three Non-executive & Independent Directors, viz, Dr. Madanmohan Rao, Chairman, Mr. Natalino Duo and Mr. Deepak Shourie. However with the resignation of Mr. Deepak Shourie on 19th November 2002 there was a casual vacancy in the Audit Committee from 19th November 2002 to 27th April 2003. On 28th April 2003 the Board appointed Mr. Abhey Yograj, Director as a member of the Audit Committee of the company to fill the vacancy caused by the resignation of Mr. Deepak Shourie.

Provisions of section 292A of the Companies Act, 1956 are not applicable to the company since the paid-up capital of the company is less than Rs. 5 crores.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement. During the year two meetings were held on 25th November 2002 and

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Attendance of each member at the Audit Committee:

Name of Director	Audit Committee meetings held during the year	Audit Committee Meetings attended during the year
Dr. Madanmohan Rao	25/11/2002	25/11/2002
Mr. Natalino Duo	29/01/2003	29/01/2003
Mr. Deepak Shourie*	—	—
Mr. Abhey Yograj **	—	—

*Since resigned as Director w.e.f 19th November 2002.** Inducted w.e.f 28th April 2003.**5. Remuneration Committee**

The Board of the Company has constituted a remuneration committee, comprising of Mr. Deepak Shourie, Chairman, Dr. Madanmohan Rao, Member and Mr. Natalino Duo, Member.

The remuneration committee has been constituted to recommend/review the remuneration of the Whole-time Director and Managing Director.

No meeting of the committee has been held during the year under report since no revision has been proposed in directors' remuneration during the year.

For details of remuneration paid to the Executive Directors for the year under report please refer to Schedule 17, Notes to Accounts, point No. 8 of the Annual Report

The company has paid sitting fees for the year ended 31st March 2003 to Mr. Natalino Duo, Dr. Madanmohan Rao and Mr. Deepak Shourie for attending the Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings and Shareholders' / Investors' Grievance Committee Meetings as follows:

Mr. Natalino Duo: Rs.25,000/-

Dr. Madanmohan Rao: Rs. 10,000/-

Mr. Deepak Shourie: Rs. 5,000/-

6. Shareholder's/Investor's Grievance Committee.

The Board has constituted a Shareholders' / Investors' Grievance Committee on 29th January 2003 comprising of Dr. Madanmohan Rao, Chairman, Mr. Ashok Mandore, Member, Mr. V Srinivasa Rao, Member to look into the shareholder's and investor's grievances. Mr. V. Srinivasa Rao, Director & Company Secretary, is the compliance officer.

The Committee is yet to conduct its first meeting. However it is reported that there are no pending shareholder grievances as on 31st March 2003.

7. General Body Meetings

Location and time for the last 3 Annual General Meetings were:

Year	AGM	Location	Date	Time
1999-2000	12 th	Hotel Nova Goa, Panaji, Goa	22/07/2000	5.00 pm
2000-2001	13 th	Hotel Pride, Pune, Maharashtra	29/11/2001	3.30 pm
2001-2002	14 th	Hotel Le Meridien, Pune, Maharashtra	30/09/2002	3.30 pm

For the year ended 31st March 2002 no postal ballots were used/invited for voting at these meetings in respect of special resolutions passed. At the ensuing Annual General Meeting, no resolution is proposed to be passed through postal ballot.

8. a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management or relatives, etc. that may have potential conflict with the interests of the company at large.

The particulars of transactions between the company and "Related Parties" are mentioned in the para 9 of the Notes to Accounts. None of this transactions are likely to have any conflict with company's interest.

- b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.
Nil.

9. Means of Communication

Half yearly results are not sent to each household of shareholders but are hosted on the company's website.

Quarterly Results

The quarterly and annual results are published by the Company in the English Edition of Maharashtra Herald. The results are also displayed on corporate website, www.india.com.co.in. Official news release is sent to the

INDIACOM LIMITED

OTC Exchange of India at Mumbai where the equity shares of the company are listed. During the year there were no presentations made to the analysts or institutional investors.

The Management Discussion and Analysis forms part of the Annual Report.

10. General Shareholder Information**10.1 Annual General Meeting**

- Date and Time 30th September 2003 at 3.00 PM

- Venue Hermes Heritage (Phase I), Shastri Nagar, Pune – Nagar Road, Pune- 411 006

10.2

Financial Calendar:	Annual General Meeting- Date: 30th September 2003
	Results for the first quarter ending June 2003: Last Week of July 2003
	Results for the second quarter ending September 2003: Last Week of October 2003
	Results for the third quarter ending December 2003: Last Week of January 2004
	Results for the fourth quarter ending March 2004/ year ending March 2004: Last Week of April 2004/June 2004

10.3 Book Closure Date : 25th September 2003

10.4 Dividend Payment Date : Not Applicable

10.5 Listing of Equity Shares

on Stock Exchange at : OTC Exchange of India, Mumbai

10.6 a) Stock Code : OTC Exchange of India: SESASEATIN

b) Demat ISIN Number

in NSDL and CDSL : INE992A01010

10.7 Stock Market Data : No Shares of the Company have been traded on the stock exchange during year under report.

10.8 Share Price performance in comparison to broad-based indices. N.A. Since no shares were traded during the year.

Registrar and Transfer Agents: Bigshare Services Pvt. Ltd.
E – 2/3 Ansa Industrial Estate,
Saki Vihar Road, Saki Naka, Andheri (E)
Mumbai : 400 072
Tel: (022) 28523474
Fax : (022) 28525207

(Share transfer and communication regarding share certificates, dividends and change of address)

10.9 Share transfer System: Presently the share transfers which are received in physical form are processed by the share transfer agents.

10.10 Distribution of shareholdings as on 31st March 2003:

Shareholding of nominal value of	Shareholders		Shares	
	Numbers	%	Numbers	%
1- 5,000	5103	97.35	6,15,247	16.20
5,001-10,000	38	0.73	29,325	0.78
10,001- 20,000	29	0.55	47,178	1.24
20,001-30,000	6	0.11	14,950	0.39
30,001-40,000	13	0.25	46,450	1.22
40,001-50,000	6	0.11	29,000	0.76
50,001-1,00,000	21	0.40	1,65,142	4.37
1,00,001 and above	26	0.50	28,50,708	75.04
Total	5242	100	37,99,000	100

ANNUAL REPORT 2002-2003**10.11 Shareholding Pattern as on 31st March 2003:**

	Category Promoters' Holding	No. of shares	% of holding
A	Promoters		
1	-Indian Promoters	391,650	10.31
2	-Foreign Promoters	1,339,358	35.26
3	Persons acting in Concert	133,100	3.50
	Sub-total	1,864,108	49.07
B	Non- Promoters' Holding		
4	Institutional Investor	40,000	1.05
5	Mutual Funds and UTI	Nil	Nil
6	Banks, Financial Institutions, Insurance Companies	Nil	Nil
7	FII's	Nil	Nil
	Sub-total	40,000	1.05
C	Others		
8	Private Corporate Bodies	90,700	2.39
9	Indian Public	1,604,192	42.23
10	NRI's/OCBs	Nil	Nil
D	Any other		
11	Foreign National	200,000	5.26
	Sub-total	1,894,892	49.88
	Grand Total	3,799,000	100

10.12 Dematerialisation of Shares: Over 30% of the shares have been dematerialised upto 31st March 2003.

Liquidity: Though the shares are listed on OTC Exchange of India there has been no trading during the year.

10.13 Branch/Office Location: The Company has its branches at the following locations:

SR. NO.	CITY	ADDRESS
1	AHMEDABAD	703, Sears Towers, Nr. White House, Gulbai Tekra, Panchwati, Ahmedabad
2	BANGALORE	No. 241-B, 2nd Floor, Mittal Towers. M.G. Road, Bangalore - 560001
3	CHENNAI	Old No. 25/5, New No.19/5, Narayana Apartments, Thilak Street, T. Nagar, Chennai-500017.
4	DELHI	UB- 21, Antriksh Bhawan, Kasturba Gandhi marg, New Delhi - 1100 001
5	GURGAON	Plot No.38, Road No. J, DLF City, Phase - II, Gurgaon (Haryana)
6	HYDERABAD	A1-16, Mayuri Apartments, Mayuri Marg, Beguhpet, Hyderabad-500016.
7	MUMBAI	No.-25, Bhiku Building, Veer Savarkar Marg, Prabhadevi, Mumbai - 25.
8	PUNE	Gala No. 241,242, 2nd Floor, Akshay Complex, Dhole Patil Road, Pune
9	RAJKOT	"SHIVBHAKTI", 1st Floor, 6 Royal Park, Off Kalawad Road, Rajkot
10	VADODARA	1st Floor, Indraprasth Apts., Race Course Circle, Vadodara

10.14 Address for Correspondence:

(i) Investor Correspondence: For Shares held in Physical Form

Bigshare Services Pvt. Ltd

Or

Indiacom Limited

E - 2/3 Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (E) Mumbai : 400 072

Tel : (022) 28523474

Fax : (022) 28525207

Hermes Heritage, (Phase I), Shastrinagar,

Pune- Nagar Road, Pune : 411 006.

Tel : (020) 6616601

Fax : (020) 6616606

(ii) Any query on Annual Report:

Mr. V Srinivasa Rao

Director & Company Secretary

Indiacom Ltd

Hermes Heritage, (Phase I), Shastrinagar,

Pune- Nagar Road, Pune 411 006.

On behalf of the Board of Directors.

Pune

Date: 14/05/2003

Mr. V Srinivasa Rao,

Whole Time Director and Company Secretary